

Algeria	1,000 Francs	1,000 Francs
Argentina	1,000 Pesos	1,000 Pesos
Australia	1,000 Dollars	1,000 Dollars
Canada	1,000 Dollars	1,000 Dollars
France	1,000 Francs	1,000 Francs
Germany	1,000 Marks	1,000 Marks
Italy	1,000 Lira	1,000 Lira
Japan	1,000 Yen	1,000 Yen
South Africa	1,000 Rand	1,000 Rand
Spain	1,000 Pesetas	1,000 Pesetas
Switzerland	1,000 Francs	1,000 Francs
U.S.	1,000 Dollars	1,000 Dollars
U.K.	1,000 Pounds	1,000 Pounds

Germany's Auto Industry to Slash 100,000 Jobs

By Brandon Mitchener

FRANKFURT — Germany's powerful automotive industry, struggling to recover from its worst crisis in years, said Wednesday it planned to slash its work force by almost 100,000 over the next several years.

Contrary to government hopes of a speedy economic recovery, the German Automobile Manufacturers Association, in its latest annual report, said its members' use of layoffs, early retirement and other means of cutting labor costs would continue into next year. Officials described the industry's retrench-

ment as a desperate attempt to neutralize the effects of Germany's sagging international competitiveness.

Martin Herzog, the association board member responsible for auto parts suppliers, which are disproportionately hit by the automotive industry cutbacks, called the process of shifting jobs abroad an "industrial exodus" that once begun, is "irreversible."

Following a 12 percent shrinkage since the

industry's post-reunification peak in July 1991, the latest forecast calls for a 12 percent to 15 percent reduction to about 600,000 workers at a time when Germany is saddled with its highest unemployment in more than 40 years.

"The decline in employment is not only a result of recession-related production cuts, but also reflects companies' efforts to increase productivity and cut costs, and will therefore likely continue even when production takes off again," the association said.

This echoed recent announcements by individual German companies, including Mer-

cedes-Benz AG, a flagship of German industry, which said Tuesday it planned to cut 14,000 workers from its local payroll next year to save 1 billion Deutsche marks (\$595 million).

The association put current industry-wide employment, including makers of automobiles, commercial vehicles and parts, at just under 700,000.

"Despite our warnings, politicians and labor have too long worshiped the illusion that Germany was an unassailable bastion of eco-

See JOBS, Page 15

U.S. Penalizes China Over Missile Exports

High-Tech Sales Worth \$400 Million Will Be Denied Beijing for 2 Years

Compiled by Our Staff From Dispatches

WASHINGTON — The United States imposed limited sanctions on China and Pakistan on Wednesday after concluding that China had sold advanced missile technology to Pakistan in violation of an arms-control agreement.

The move was another setback to U.S.-Chinese relations, plagued by differences over human rights and other issues relating to China's weapons-export program.

The sanctions ban the sale of sensitive U.S. high technology equipment to the Chinese agencies responsible for the missile-technology sale, said the chief State Department spokesman, Mike McCurry.

"It's our estimate that somewhere between \$400 million and \$500 million a year of commercial activity will be affected by the sanctions that are imposed today," he said. Those figures are less than 10 percent of U.S. exports to China last year. The impact on trade with Pakistan is expected to be minimal.

Asked if American companies would be protected against their losses, Mr. McCurry said: "No. That's a significant cost that we pay but it reflects the seriousness with which we look at the issue of nuclear proliferation."

At issue is U.S. evidence suggesting that China transferred to Pakistan technology for the M-11 surface-to-surface missile. Its export violates the Missile Technology Control Regime, according to the United States.

Both China and Pakistan deny any violations.

In Pakistan, a Foreign Ministry spokesman, Munir Akram, said Pakistan bought short-range missiles from China, but not the M-11s. He did not say whether Pakistan had purchased M-11 missile technology.

Pakistan already is prohibited from receiving most U.S. aid because of legislation barring assistance to countries working to develop a nuclear-weapon capability.

Officials said part of the U.S. case against the two countries was based on satellite photographs taken of a Chinese shipment that arrived last year at the Pakistani port of Karachi.

Lynn Davis, undersecretary of state for international security affairs, informed the Chinese

and Pakistani ambassadors of the U.S. decision.

U.S. law requires that sanctions be applied when the Missile Technology Control Regime is violated. It bars the transfer of missiles with a range of more than 185 miles (300 kilometers) or a payload of more than 1,100 pounds (500 kilograms).

The M-11 has a range of about 190 miles and a payload of about 1,100 pounds. It's designed to carry a conventional warhead but can be reconfigured to carry a chemical or biological warhead. Experts say it is probably too small to carry a nuclear warhead. Pakistan is believed to have a nuclear weapons program.

China did not sign the missile technology accord. But in November 1991, it promised to respect it. In return, then Secretary of State James Baker used his authority under the law to waive an earlier round of sanctions for alleged M-11 sales to Pakistan.

Richard Brocher, of the U.S.-China Business Council, said China had an \$18 billion trade surplus with the United States last year. The net effect, he said, is to worsen the trade imbalance.

He said the U.S. company most affected probably would be Hughes Aircraft, which exports satellites that are launched on Chinese rockets.

Mr. McCurry said the U.S. decision principally affects the two Chinese enterprises that were involved in the transaction: the Ministry of Aerospace Industry, which includes the China Precision Machinery Import-Export Corporation, and the Ministry of Defense. Subsidiaries of these organizations also are affected.

President Bill Clinton in May granted a one-year extension of China's most-favored nation trade status, but conditioned future extensions on improvements in China's human-rights record and adherence to arms-control guidelines.

The administration is concerned that China is trying to sell ingredients for chemical weapons to Iran. A Chinese vessel thought by U.S. officials to be transporting such materials is heading for a Saudi port. China has agreed to permit inspection of the cargo.

(AP, Reuters)

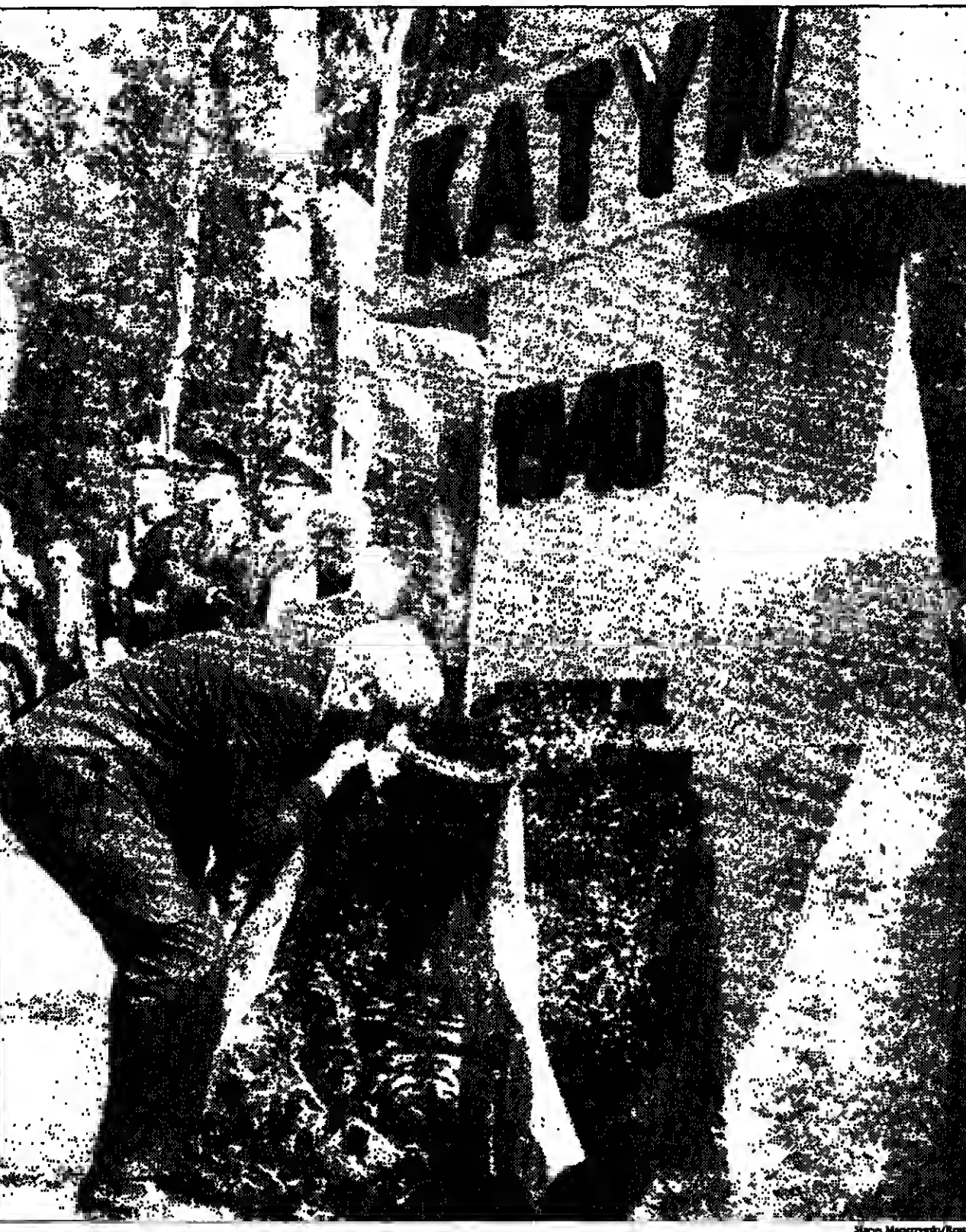
Intramural Squabbles Paralyze Russia's Government

By Stephen Erlanger

MOSCOW — The spectacle of senior Russian officials hurling mud at one another, alleging corruption without evidence and citing documents that they refuse to release, is undermining the already weak authority of the state.

Russia is paralyzed by open conflict between the executive and legislative branches and the inability to agree on a new constitution or new elections. But if the warfare were merely between President Boris N. Yeltsin and parliament, led by the speaker, Russian I. Khasbulatov, the current battle would have the somewhat tedious character of the recent past.

The current fighting, however, is also vivid within the government itself, with a senior minister accusing his colleagues of driving him from office because of their own connections



ATONEMENT IN WARSAW — President Boris Yeltsin of Russia kissing a wreath he laid Wednesday at a monument to 4,000 Polish soldiers who were murdered in Katyn forest during World War II. He said he would not object if Poland decided to join NATO. Page 2.

NEWS ANALYSIS

with illegal businesses. That charge was leaped upon gleefully by opposition newspapers and politicians like Mr. Khasbulatov and Vice President Alexander V. Rutskoi, who have been tossing corruption charges at the government for months. (Page 2)

While the politicians are squabbling, the authority of the government itself is ebbing.

Fundamental decisions are avoided or postponed. The government is split over economic policy. Huge, rich regions of the Russian Federation are going their own way. Inflation is rising again — to 7.1 percent for the week ending Aug. 10, the highest weekly figure since the panic in January over hyperinflation. Real structural reform is postponed, drawing out the economic pain of transformation.

But instead of resolute leadership, a tired and cynical population has been treated to an extraordinary bevy of contradictory accusations against the heart of the government itself.

In the last week, a presidential commission on corruption has made unsubstantiated accusations against Mr. Rutskoi, who denies them. It accused the country's chief law officer, Valentin G. Stepankov, of plotting the murder of a commission member on the telephone with a shadowy ex-KGB official living well in Canada; they deny it.

At the same time, the commission admitted that the Foreign Trade, Economics and Energy ministries were all under investigation for corruption.

Four senior ministers have already resigned or been dismissed. Earlier this month, Viktor P. Baranikov, the head of the Security Ministry, the domestic part of the former KGB, was dismissed, allegedly for corruption. So was the deputy minister of economics, Yuri Otkhovikov. The information minister, Mikhail Fedotkin, quit under pressure from another Yeltsin ally, Mikhail Poltoranin, who wants a more rigorously controlled press.

But no resignation has done more damage than that of the 32-year-old minister of foreign trade, Sergei Y. Glaznev.

Mr. Glaznev, regarded as a market-oriented technocrat, was on his way to Africa on an official visit when his plane was recalled to

See RUSSIA, Page 5

U.S. Indicts Egyptian Cleric In Trade Center Bombing

Compiled by Our Staff From Dispatches

NEW YORK — Sheikh Omar Abdel Rahman, the blind Egyptian Muslim cleric being detained by the United States, was charged Wednesday in the World Trade Center bombing and a plot to blow up the United Nations and other New York facilities.

In addition, the sheikh and three others — including the man accused of murdering Rabbi Meir Kahane — were charged in the federal indictment with conspiring to murder President Hosni Mubarak of Egypt.

Mr. Kahane's accused killer, Sayyid A. Nosair, was indicted on new charges in that slaying. Mr. Nosair was acquitted of state murder charges but is in a New York prison on a related weapons conviction.

The new indictment alleges that 11 men previously charged with a plot to bomb the United Nations, the Lincoln and Holland tunnels, the George Washington Bridge and a building housing FBI offices were also involved in the Feb. 26 World Trade Center blast.

That vehicle-bomb explosion killed six peo-

ple, injured more than 1,000 and displaced hundreds of businesses for weeks.

"The objective of the organization was to carry out and to conspire to carry out acts of terrorism, including bombing and murders, against various governments and government officials, including the United States government," the indictment said.

Many of the defendants were followers of Sheikh Abdel Rahman, 55, who preached at mosques in Brooklyn and Jersey City.

The cleric has been in federal custody in Otisville, New York, since July 2, after an immigration judge ordered him deported. He is appealing.

The indictment said that Sheikh Abdel Rahman, who in public remarks has denounced the trade center bombing and UN bomb plot, was responsible for giving his blessing to the group's plans and mediating disputes.

It said the sheikh "provided instructions regarding whether particular acts of terrorism

See PLOT, Page 5

In U-Boat's Haul, No Treasures Yet

Salvagers Find 'a Mess' as Vessel Is Disarmed Off Denmark

Compiled by Our Staff From Dispatches

COPENHAGEN — Explosives experts began dismantling torpedoes on a recovered World War II German submarine on Wednesday, while salvagers, hoping to find Nazi documents and treasure, found wine and condoms.

"It's a hell of a mess down there," said a spokesman for the salvage group, Jonathan Wardlow. "Things are just anywhere. And it stinks after being filled with sea water and clay for 48 years."

The submarine was sunk by a British bomber on May 5, 1945, the day after Nazi troops surrendered in Denmark, northern Germany, Norway and the Netherlands. Three of the 52 crew members died.

Surviving crewmen, who witnessed the raising of the submarine from the Kattegat seabed on Monday, said there had been no senior Nazi

officials on board and no treasure, as historians have speculated.

But the salvagers have not been discouraged, although the objects fished out of the interior so far have not been of great value.

"Some of the first artifacts we discovered on board were 100 bottles of German wine, a gross of condoms, a splendid pipe and a pair of binoculars, all remarkably intact," Mr. Wardlow said.

He said historians advising the salvage company, Smith Tab, confirmed that a small supply of condoms was a standard part of the inventory on German submarines during the war.

A Danish Navy explosives expert, Captain Finn Linnemann, entered the 77-meter (255-foot) U-534 submarine on Wednesday to remove detonators from torpedoes. That type of U-boat was routinely armed with 16 to 22

torpedoes, each with 280 kilograms (620 pounds) of explosives, experts said.

Captain Linnemann and his crew also were working to remove anti-aircraft shells from the vessel, which is drying out on a barge.

"It's a risky and slow job," said Mr. Wardlow, adding that all explosives would be removed by Friday.

Historians have speculated that the submarine, like some other German submarines seized at the end of the war, might have contained secret documents, valuable goods or fleeing Nazi leaders.

Historians say valuable goods and papers may have been hidden in secret compartments or in food cans. One historian said the submarine was carrying 16 tons of food instead of the

See U-BOAT, Page 5

Kiosk

Again, Cambodia Turns to Sihanouk

PHNOM PENH (WP) — After weeks of deliberations on a constitution, Cambodia's recently elected political leaders have reached a consensus on a proposal to restore the monarchy and again offer the throne to Prince Norodom Sihanouk.

Dow Jones	Up 13.13	8,652.09
Trib Index	Down 0.09%	107.14

The Dollar	New York	Wed. close	previous close
DM	1.964	1.9793	
Pound	1.4815	1.4988	
Yen	105.00	103.825	
FF	5.849	5.8446	

General News
NASA officials wait for a call from the wayward Mars Observer. Page 3.
As rural Italy burns, the nation wonders who is making the money. Page 5.
Japan's prime minister ruled out further compensation for war victims. Page 4.

Business/Finance
Belgium should sever the franc-mark link, economists said. Page 11.

From Florida to Tokyo, the Cry Goes Up: 'Buy Shoes, Save a Gator'

By William Booth

CHRISTMAS, Florida — It is a long way from Froehlich's gator farm to the floor of the Tokyo Stock Exchange. But in the brave new world of global economics and conservation, Mr. Froehlich's alligators and Japanese stocks are inextricably, if weirdly, linked.

The price of alligator skins is in free-fall. The immediate reason is that the Japanese do not buy alligator handbags during a recession, and so alligator farms are going bankrupt. A third of them may go under in Florida and Louisi-

ana.

But that is not all. Environmentalists say the story of the rise and fall of the gator industry may illustrate a seemingly contradictory point: To save a wild species, such as the American alligator, society might have to decide that killing them is a good idea.

"It's so hard concept to get across, but if people in America want to protect the alligator, the best thing they can do is

buy an alligator handbag," said Don Ashley, a consultant for the Florida Alligator Farmers Association.

As Mr. Ashley sees it, by harvesting alligators from the wild and on farms, society gives them and the freshwater marshes where they live an economic value.

"Giving the gator a value gives their habitat a value," Mr. Ashley said. "It gives society another good reason not to dam and dike and drain the swamps. Look, Florida has lost half its wetlands. Half. And it's not going to save the rest unless there's a good reason."

The best reason to save something, Mr. Ashley says, is money.

Environmentalists agree.

"We tell people: Buy alligator, if you can," said Ginete Hemley, director of a wildlife trade monitoring program at the World Wildlife Fund, in Washington.

"There's little question in our minds that controlled hunting and ranching has helped provide incentives to protect both the species and habitat," Ms. Hemley said.

The mere fact that an industry has been built around alligators is remarkable. In the early 1970s, the federal government listed them as endangered.

"The populations were severely depressed in some areas," said Nick Wiley of the alligator management section of the Florida Game and Freshwater Fish Commission. "But we questioned that they were truly endangered. There were still good numbers of alligators in remote areas. By the mid-1970s, we had alligators again coming out of our ears, so to speak."

Many Americans, however, mistakenly believe that the giant amphibious reptiles are still endangered. But alligators are doing so well in Florida that they have become a nuisance in many settings.

Not a month goes by without some new lurid report of a rogue alligator consuming someone's poodle, or worse. Trappers call the canals that crisscross Florida "alligator highways."

In June, a Little League canoe trip on the Loxahatchee

River near West Palm Beach ended in tragedy when an 11-foot (3.3-meter) alligator attacked Bradley Wadsworth, 10, by the head, held him under the water and killed him as his father struggled to free him.

Rogue alligators are shot and skinned, and all populations are being managed by the state, which allows limited hunting and egg collecting.

Gator farmers are a colorful bunch. In Florida, some are reformed poachers. Mr. Froehlich, a self-described "outlaw of the swamps," said he played hide-and-seek with game warden for years, hunting alligators at night and selling the illegal skins on the gray market. He was never caught.

Mr. Froehlich said he had agreed to stop his nocturnal adventuring if the state would allow him to raise alligators on his farm, begun in the 1960s. Today he is called "the father of alligator ranching" in Florida.

During the late 1980s, gator ranching was booming, and

See HIDES, Page 5

Bosnia Takes UN to Court Over Partition

By Stephen Kinzer

THE HAGUE — With less than a week remaining before the government of Bosnia-Herzegovina decides whether to accept the country's division into three ethnic ministates, lawyers for Bosnia asked the World Court on Wednesday to rule that any such division would be "null and void."

They also asked the court to declare that the United Nations arms embargo against Bosnia is illegal.

If the court agrees to take these steps, it would in effect be overruling the UN Security Council, something it has never done before. A decision could come within two weeks.

The court, which is the UN's principal judicial organ, ordered the government of Yugoslavia in April to refrain from all acts of genocide

A UN aid convoy reaches Mostar after being blocked by Croat protesters. Page 2.

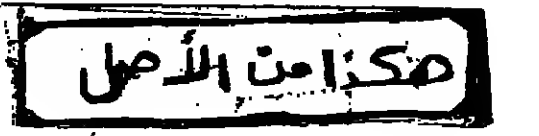
against Bosnia and to stop aiding the Bosnian Serb army. At Wednesday's session, lawyers for Bosnia asserted that Yugoslavia had "paid absolutely no attention whatever to the orders of this court and proceeded to violate each and every measure ordered by the court."

The court is now faced with the imperative for more direct and resolute measures," said Mohammed Sacirbey, Bosnia's chief delegate to the United Nations.

Mr. Sacirbey said that his government was participating in UN-sponsored peace talks in Geneva only because it was under "unprincipled pressure" to do so. Mediators have asked the Bosnian government and its Croatian and Serbian rivals to accept the plan by Aug. 30.

"If we do not participate, we are then labeled

See BALKANS, Page 5



Yeltsin Endorses Polish NATO Bid

Walesa Aides Press Alliance To Open Up Its Membership

By Jane Perlez
New York Times Service

WARSAW—On his first visit to Poland as the leader of Russia, President Boris N. Yeltsin was treated Wednesday to a display by his former Soviet satellite of how much and how quickly it wanted to join the West, specifically NATO. In the past, the Russians have expressed reservations about Poland's ambitions to join the alliance. But in an appearance in the green gardens of the presidential residence, Mr. Yeltsin and President Lech Walesa agreed to a joint statement that restated the Polish desire for NATO membership and pointed to Mr. Yeltsin's "understanding" of the policy.

the two leaders signed a major trade agreement and an accord that would bring a natural gas pipeline from Russia through Poland to Western Europe and would allow Poland to buy gas at reduced rates. Stressing the NATO issue, Mr. Drzyziewski said Mr. Yeltsin's stance should make the West drop its reservations about Poland's membership, which he said were based on the risk of offending Russia.

Attali Reinstated To His Post on French Council

Reuters

PARIS—Jacques Attali, the former president of the European Bank for Reconstruction and Development, was given back his former French government job on Wednesday. A French cabinet announcement said he had been reinstated as a member of the Council of State, the country's top administrative court, which also advises the government on legislation.

While Mr. Yeltsin and his Russian delegation were in Warsaw on a 36-hour visit, members of the Polish government were reluctant to express a fear of turbulence in the former Soviet Union as a main reason for wanting to join NATO. But with an unsettled Ukraine on its borders and poor relations between Ukraine and Russia, Polish officials have said they feel a vacuum in the region.

Russian Vice President Linked to Graft

By Michael Dobbs
Washington Post Service

MOSCOW—A high-level corruption scandal in Russia continued to expand Wednesday with the publication of documents purporting to show that millions of dollars in kickbacks were deposited in a Swiss bank account controlled by Vice President Alexander V. Rutskoi.

trust in Switzerland for the benefit of Mr. Rutskoi and his family. The document bears the signatures of the vice president and his alleged Swiss-based trustee, Benjamin Keret, who has since died.



An elite security unit patting down suspects Wednesday during a raid on a market in Moscow, a favored haunt of criminals. Russians face a crime emergency. Murders in Moscow so far in 1993 jumped to 784 compared with 462 in the same period last year.

Russian newspapers, most of which are highly partisan, have so far failed to conduct an independent investigation into the charges that have been leveled against Mr. Rutskoi and others.

WORLD BRIEFS

Balladur Acts to Save Curbs on Aliens

PARIS (Reuters)—Prime Minister Edouard Balladur said Wednesday that his conservative government would seek to restore key elements of a law restricting immigration that were recently struck down by a French constitutional watchdog.

Grenade Hurts 6 Germans in Turkey

ISTANBUL (Combined Dispatches)—A grenade thrown at a group of German tourists wounded six and their Turkish guide Wednesday while they were on an outing here to see the Byzantine city walls, news reports said.

Dalai Lama Rejects Chinese Offer

NEW DELHI (AFP)—China's invitation to the Dalai Lama to return was spurned Wednesday by the Tibetan government-in-exile, which said talks could not be held if Beijing imposed preconditions.

UN to Send Truce Team to Caucasus

UNITED NATIONS, New York (Reuters)—The Security Council has decided to establish a UN Observer Mission in Caucasian Georgia of up to 85 military observers plus a small support staff, with a six-month mandate.

North Korea Nuclear Talks Are Set

VIENNA (AFP)—North Korea and the International Atomic Energy Agency are to start consultations on Tuesday in Pyongyang on the resumption of inspections that have been on hold since February, the agency said Wednesday.

Protesters Paralyze 2 Nigerian Cities

Compiled by Our Staff From Dispatches

LAGOS—Protests against the military government brought Nigeria's two biggest cities virtually to a standstill on Wednesday, the day before the country's ruler, General Ibrahim Babangida, was due in give up his post of president.

An oil company official said, "In the urban areas you would expect to see a perceptible effect, but in the rural areas, where the oil operations are, it's business as usual. People are waiting to see what happens."

UN Relief Convoy, Delayed by Protesters, Reaches Mostar

Compiled by Our Staff From Dispatches

MOSTAR, Bosnia-Herzegovina—A United Nations aid convoy finally reached the Muslim sector of the Bosnian city of Mostar on Wednesday after Croatian protesters had blocked the convoy for hours.

the east side of Mostar, where 55,000 Muslims have been under siege by Croatian forces since June. Earlier efforts to get the convoy into Mostar on Wednesday had been called off because hundreds of women and children barred the way in Cihluk, 20 kilometers (12 miles) west of Mostar, Bosnian military sources said.

in the western Bosnian town of Medjugorje in a dispute over an exchange of bodies of Croatian and Muslim soldiers.

airdropped 25 tons of food and medical supplies into the city. BBC radio said many people had not known that the food was coming, because they had no batteries for radios and had been otherwise cut off from the outside world.

ple died in Serbian shelling attacks in Sarajevo as the fate of a proposed Bosnian peace plan appeared doubtful.

Fresh European Doubts Arise Over Bosnia Partition Plan

By William Drozdiak
Washington Post Service

PARIS—The European allies are expressing fresh doubts about the latest peace plan to end the civil war in Bosnia because of fears that it may prove difficult, if not impossible, to enforce in a way that would preserve the veneer of a single state.

Thorvald Stoltenberg, the UN envoy who along with the European Community mediator, Lord Owen, is sponsoring the plan, has asked the United Nations to consider sending up to 40,000 troops to carry out the partition and police an eventual cease-fire.

who represented 44 percent of Bosnia's prewar population, are being prodded into acquiescence by the threat of genocide.

however, has refused to consider sending any peacekeeping troops to the Balkans.

major commitment of peacekeeping troops from the United States will be intense, French officials, who predict the negotiations may drag on longer while the Muslims seek new conditions, insist that other countries will only take part if the Americans get involved.

TRAVEL UPDATE

Swissair was to resume weekly flights to Kinshasa, the capital of Zaire, on Thursday after a seven-month suspension because of unrest. (AP)

Munich Fires Airport Security Aide

MUNICH—The security chief at Munich airport, Germany's second largest, was dismissed Wednesday after reports of lechery involving thousands of staff passes.



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Bolivia	0-800-2222	Germany	9800-102-80	Norway	800-MCI (800-624)	Spain	900-99-004
Brazil	000-8012	Hungary	17-00-19	Poland	425-036	Sweden	020-755-922
Canada	00-0316	India	0150-0012	Portugal	95-800-674-7000	Switzerland	05-0222
Colombia	980-16-0001	Indonesia	00-800-1211	Russia	06-022-91-22	Turkey	99-800-177
Cyprus	080-90000	Ireland	00-800-0441	Ukraine	050-12912	UAE	800-111
Czech Rep	00-42-00012	Japan	000-127	United Kingdom	001-190	USA	0800-89-0222
Denmark	8001-0023	Korea	1-800-551-001	Uruguay	000-412	Venezuela	800-114-0
Dominican Republic	1-800-751-6524	Spain	177-150-2721				

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STATESIDE / THINKING THE UNTHINKABLE

PROBING VOICES

What is the Sound of a President Relaxing?

EDGARTOWN, Massachusetts — Listen carefully. The silence you hear from this Atlantic island is the sound of the president of the United States at play.

For more than two years, since he first skinned running for president, the one absolute constant in Bill Clinton's life has been talk. Talk in public. Nonstop talk on every matter of issue facing the nation.

But now, for six days — and several more to come — he has given himself, and the country, a vacation. Here on Martha's Vineyard, Mr. Clinton has gelled, read, walked on the beach, sung songs with Carly Simon and cruised Vineyard Sound with Jacqueline Kennedy Onassis, but he has made not one proposal, begun not a single public dialogue, uttered no comment.

Even his Saturday radio address on the economy and health care had been taped ahead of time in Washington. Vacations are, perhaps, the only part of a president's overscheduled life upon which he can exert any real control. Because of that, how he chooses to relax can tell us much about the man, whether it be Ronald Reagan's retreats to the seashore or his ranch in the clouds or George Bush's frenetic games of golf at his ancestral compound in Maine.

In Mr. Clinton's case, until recently, he hardly relaxed at all, contenting himself with a day grabbed here and another grabbed there as he scrambled headlong in pursuit of his goals. Shortly before leaving Washington, Mr. Clinton held a staff meeting that it had been four years since his family had taken a real vacation together. That was a mistake, he conceded, although he admitted that without the recent suicide of his friend, Vincent E. Foster Jr., the deputy White House counsel, Mr. Clinton might well have ended up continuing the pattern.

Even so, many aides were skeptical that the president would actually settle down and stay at rest for more than a week. So far, however, he appears to have adjusted, forswearing even his usual morning national security briefings in favor of a quick paper summary of the day's news.

Instead, Mr. Clinton has been sleeping until 10, partying until midnight and staying mostly out of sight.

Whole days have gone by with hardly a public glimpse, as the usually ubiquitous chief executive enjoys the solitude and salt air of the beachfront compound owned by Robert McNamara, who has absented himself to provide room for the president's family, their immediate staff and security guards. More than 24 hours elapsed between Mr. Clinton's arrival here and his first public words: "I didn't do anything yesterday. It was great. Read a book. Slept. It's been a long time." (LAT)

Quote/Unquote

Dee Dee Myers, the White House press secretary, on the president's vacation: "I think he's trying to give his brain a rest." (LAT)

NASA Frets: Observer, Won't You Please Call Home?

PASADENA, California — NASA scientists waited anxiously for the call that never came. Now they must contemplate the unthinkable: that the Mars Observer flew right past the planet into oblivion.

"It's terrible, terrible, terrible," said Arden Albee, the project's chief scientist.

The wayward spacecraft has not been heard from since late Saturday and failed to radio Earth as scheduled on Tuesday, when it was to fire its thrusters and drop into orbit around Mars.

The spacecraft remained silent Wednesday, said Jim Doyle, a National Aeronautics and Space Administration spokesman. Scientists simply did not know if it was circling Mars, had flown past it, or had been destroyed or disabled.

NASA scientists bravely insisted they had not given up on the Observer, launched in September on a \$1 billion mission to study Martian terrain, climate and weather using sophisticated instruments, including a camera that can spot an object the size of a small automobile from a 234-mile-high (380-kilometer) orbit.

"We presume the spacecraft is in orbit around Mars, but we have no positive indication of that," the project manager, Glenn Cunningham, said Tuesday at NASA's Jet Propulsion Laboratory. "I would like to believe the spacecraft is in orbit."

And what were scientists doing to relieve the tension? "Screaming loudly," Mr. Cunningham said.

If the spacecraft has not received any of the commands sent to it in recent days, it should automatically

have started another computer program and tried to contact Earth on Wednesday.

If it is just a transmitter problem and the craft has indeed settled into orbit, it could stay safe for weeks while engineers try to regain contact.

But "if we don't get it toward the end of the week, then the hope is going to become, well, really, hope," said Dr. Albee, a dean at the California Institute of Technology.

Mr. Cunningham said that if engineers re-established contact soon and found the spacecraft had missed Mars, they might be able to send new commands to put it into a bigger but scientifically less valuable orbit around Mars. If that did not work, NASA might try to put the spacecraft in orbit in eight

months to a year if it came back near Mars after swinging around the sun.

Another possibility was that the Observer was destroyed during pressurization of its fuel tanks on Saturday, though an explosion was considered unlikely because of backup systems to regulate tank pressure.

On Tuesday, protesters outside the Jet Propulsion Laboratory and at a Washington press conference accused NASA of trying to cover up evidence that alien creatures built facade sculptures, pyramids and other structures on Mars. They also charged that a "rogue group" in NASA intentionally disabled Mars Observer to prevent it from photographing the ruins of a Martian city.

"It's absolutely the craziest thing I've ever heard," Mr. Cunningham said.



A Michael Jackson fan leaving a Bangkok stadium Wednesday after learning that the singer had postponed a concert until Thursday.

Boy, 13, Is Called Jackson's Accuser

LOS ANGELES — A police investigation of Michael Jackson began after a 13-year-old boy told a therapist that the entertainer had fondled him, according to a source with access to police documents. Mr. Jackson denies any wrongdoing.

The singer, who is in Thailand for the latest leg of a world tour, postponed a scheduled concert there Wednesday. His doctor said he was suffering from dehydration but was expected to resume his performances Thursday in Bangkok.

The police in California have refused to comment on the case except to say that an investigation began Aug. 17. Investigators with the Los Angeles County Department of Children's Services also refused to comment.

But the source who saw the confidential police documents told The Associated Press that the investigation had begun after the son of a Beverly Hills dentist told his therapist that Mr. Jackson had sexually abused him.

The source, who spoke on condition of anonymity, also said the police had seized photos and videotapes in a search over the weekend of Mr. Jackson's Los Angeles condominium and his ranch near Santa Ynez, about 120 miles (200 kilometers) north of Los Angeles.

Anthony Pellicano, Mr. Jackson's security consultant, said the allegations followed a failed attempt to blackmail the singer for \$20 million.

"I am confident the department will conduct a fair and thorough investigation and its results will demonstrate that there was no wrongdoing on my part," Mr. Jackson said in a statement read by his lawyer, Howard Weitzman.

During a television interview in February with Oprah Winfrey, Mr. Jackson said he surrounded himself with children to make up for a friendless, workaholic childhood as a member of The Jackson Five.

He counts Elizabeth Taylor as a close friend, and the child actors Emmanuel Lewis and Macaulay Culkin are frequent companions.

After his Thailand appearances, Mr. Jackson is to travel to Singapore, Taiwan, Japan, Moscow, Israel, Turkey and the Canary Islands. In his statement on the investigation, he promised to cooperate the tour.

(AP, Reuters)

3 Aides Quit, but Departure of Bentsen Is Thought Unlikely

By Steven Greenhouse

New York Times Service

WASHINGTON — Three of the closest aides to Treasury Secretary Lloyd Bentsen — his chief of staff, his press spokesman and his personal secretary — are leaving the Treasury, fueling speculation that Mr. Bentsen may soon step down.

Mr. Bentsen's tenure has been rocky, that, except for the large difficulties that President Bill Clinton's budget plan encountered

and because of criticism that Mr. Bentsen, a man known for his legislative skills as a senator, did not guide the plan through Congress more smoothly.

Bill Jack R. DeVore Jr., who has been Mr. Bentsen's spokesman for 21 years and is leaving to become a public affairs consultant in Texas, said Mr. Bentsen had no plans to

resign. He said he was committed to helping the president accomplish

his agenda," he said, including ratification of the North American Free Trade Agreement with Canada and Mexico and passage of health care legislation.

One Treasury official said Mr. Bentsen had recently asked the accounting and consulting firm PricewaterhouseCoopers to study the department's information flow and use of technology. He said Mr. Bentsen would not have ordered such a study unless he planned to stay.

Robert S. Strauss, a former chairman of the Democratic Party, said in a telephone interview that he spent 10 hours Monday with Mr. Bentsen while the two were vacationing in California and that Mr. Bentsen expressed no intention of resigning.

"I think just the opposite," Mr. Strauss said. "He's enjoying his job."

In addition to Mr. DeVore, Philip N. Diehl, Mr. Bentsen's chief of

staff, is leaving to become executive deputy director of the U.S. Mint. Mr. Diehl had been Mr. Bentsen's legislative director in the Senate and later became staff director of the Senate Finance Committee, of which Mr. Bentsen was chairman.

The new chief of staff will be Josh Steiner, who had been special assistant to Deputy Treasury Secretary Roger C. Altman.

Mr. Diehl was on vacation and

could not be reached for comment, but Treasury officials said the position at the Mint was a promotion.

Mr. Bentsen's personal secretary for 29 years and executive assistant in the Senate, Gay Burton, will also be leaving.

Mr. DeVore, who is assistant secretary for public affairs, said he was leaving because he wanted to return to Texas and had found that working within the federal bureaucracy was frustrating.

New Wetland Curbs Sought by Clinton

Plan Would Broaden Protection but Make Exemptions Easier

By David Johnston

New York Times Service

WASHINGTON — The White House is proposing a package of measures that would affect millions of acres of wetland, offering some additional protection to fragile ecosystems, particularly in Alaska, but easing some of the restrictions on wetland use.

While the Bush administration was considering a plan that would exempt up to 1.7 million acres (685,000 hectares) of Alaskan wetlands — 1 percent of the state's total — from federal protection, President Bill Clinton's plan would impose protection for all the wetlands in Alaska.

In another important departure from the Bush approach to regulating wetlands, Clinton officials said they would close some loopholes that had allowed developers to build shopping malls and housing in some wetland areas.

Partly offsetting that measure, the new proposal would also provide administrative avenues for developers to appeal decisions denying construction permits.

The plan also proposes to turn regulation of currently farmed wetlands over to the Department of Agriculture, a shift that would put jurisdiction over wetlands in the hands of an agency that conservationists have traditionally perceived as one that puts priority on agricultural interests.

In many respects the Clinton plan continues the direction of Bush environmental regulations. The plan proposes to continue exemptions from federal protection of 53 million acres of wetlands that had been drained and converted to farming before 1985.

And the Clinton proposal would continue to use a 1987 definition of wetlands developed by the Army Corps of Engineers.

The plan is to use a new definition of wetlands when it has been completed by a National Academy of Sciences panel, which has spent years on the project.

The announcement Tuesday called the plan a "balanced, common sense, workable set of improvements."

The proposals total nearly 40 regulation changes, policy directives and a revised presidential order.

Reflecting a low-key approach, neither President Clinton nor Vice President Al Gore issued a statement.

Environmentalists reacted with little enthusiasm, saying the proposals were a tepid series of steps that might open opportunities for abuse of a fragile and diminishing natural resource.

"It appears most of the action items favor concerns of private development and really weaken wetlands policy," said Jan Goldmann-Carter, a lawyer for the national Wildlife Federation, a group that had taken part in the public hearings that led up to the announcement.

But a coalition of companies representing building, mining and other development interests criticized the proposals, saying they were too restrictive.

Hours after the plan was announced, lawyers representing mining and construction industries filed a lawsuit in federal district court, asserting that the administration must get approval of Congress before it could impose the rule that would prevent developers from evading regulation.

The Clinton proposal includes final regulations that will take effect immediately, like the exemption from federal regulation of 53 million acres of old wetlands converted to farmland.

Other proposals, like cancellation of the

Bush proposal to allow wetland development in Alaska, can simply be withdrawn.

Some of the statements, like a commitment to a goal of no net losses in wetland acreage, require no further approval. Other measures will require legislation, like changes in the Clean Water Act to assert that the wetland protection is explicitly covered by the law.

Officials said the plan had two principal objectives — to provide enhanced protection for wetlands and make the government's regulatory program operate more effectively, as one official put it "to make much more clear who can do what in wetlands."

Estimates indicate that the 230 million acres of wetlands at the beginning of European settlement, have shrunk to about 100 million acres in the lower 48 states.

By the mid-1980s, the nation was losing about 300,000 acres of wetland a year, the government estimates.

The definition of the term wetland is a subject of debate, but it generally depends on water cover, soil wetness and vegetation on any given site.

From the reedy marshes of New Jersey to the waterfowl flyways of California, the country's wetlands are increasingly recognized in scientific studies as critically sensitive areas that contribute to the environment in a variety of ways.

Among other things, they provide wildlife habitat, a filtration system to cleanse water and also act as efficient sponges to soak up floods.

The action Tuesday came a little more than a week after environmentalists praised another significant land-use decision by the Clinton administration — a first step by Interior Secretary Bruce Babbitt to reverse longstanding federal policy by raising fees for ranchers who graze cattle and sheep on public range.

Away From Politics

Lee Harvey Oswald fumbled about killing people as a teenager, according to a CIA memo written four months after President John F. Kennedy was murdered and recently released. "It is abundantly clear from all the materials reviewed that Lee Oswald was psychiatrically disturbed from his earliest youth," a CIA analyst, Arthur Dooley, wrote in the memo dated March 20, 1964. All available evidence points to a solitary act of a mentally unstable person."

Rodney G. King, the black motorist whose beating by white police officers ultimately led to the Los Angeles riots last year, has been ordered confined to an alcohol rehabilitation center in Los Angeles for at least 60 days after being arrested for drunk driving.

The reconstructed heart of the surviving Titanic twin Angela Lakeberg should work normally as she recovers from surgery that separated her from her late sister, according to her doctors. "There's nothing wrong, so far as we can tell, with the muscle itself," said Dr. William Norwood, chief of cardiothoracic surgery at Children's Hospital of Philadelphia.

Leslie Robbins returned to his \$35,000-a-year job as a high school teacher in Fond du Lac, Wisconsin, even though he won \$11 million during his summer vacation. Mr. Robbins, 30, said that it would be his last year at Satish Junior High School in this Midwestern U.S. town and he would give his salary back to the school.

A suit accusing Senator Dave Dornbusch, Republican of Minnesota, of raping a woman 30 years ago and fathering her son was dismissed in Hastings, Minnesota, because it was filed too late and the paternity claim was refuted by blood tests.

Nearly one in six students who borrow money from the government for college fail to repay their loans on time. This year, unpaid student loans will cost taxpayers \$2.5 billion, a figure down significantly from the \$3.6 billion loss in 1991.

Hooky-Playing Lawyer Enters a Familiar Plea

Washington Post Service

WASHINGTON — A lawyer who abandoned his client during a court trial and fled to Jamaica on vacation is seeking a postponement of his contempt-of-court hearing next week.

He says his lawyer will be vacationing that day.

Clayton J. Powell Jr. faces possible disciplinary action for failing to appear in a Washington court on July 26 to continue his client's defense in a child-beating trial. The previous Friday, Mr. Powell had told Judge John H. Bayly Jr. that he planned to leave on vacation, saying he had booked nonrefundable airline tickets. Judge Bayly denied his request to withdraw from the case and repeatedly warned him to show up that Monday.

After Mr. Powell flew to Jamaica in spite of the order, Judge Bayly declared a mistrial for his client and a second defendant in the child-beating case and scheduled a

criminal contempt hearing for the lawyer.

In his motion for a continuance, Mr. Powell said that he had hired R. Kenneth Mundy as his attorney but that Mr. Mundy would be on vacation next Tuesday, Mr. Mundy, who had already left on vacation, could not be reached for comment.

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Herald Tribune

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Who Wants Italy To Keep Burning?

Police Suspect Half of Fires Were Set by Hired Arsonists

By Alan Cowell
New York Times Service
TREVIGNANO, Italy — All through a long, hot summer, the fires have come, crackling through Italy's byways, marching like bright armies, scorching the earth — and making money for some out of the devastation of others.

By some government estimates, the summer's tally could reach a record 1 million acres (247,000 hectares) of burned woodlands, four times the figure 10 years ago.

No sooner has one blaze been extinguished than another has come: from the islands of Sardinia and Sicily to the mainland, 10,000 major fires have been reported, devouring forest and farmland in the last two months alone, three times as many as in the same period last year.

True, the weather has been furnace-like and the grass tinder-dry, vulnerable to every spark or discarded cigarette butt. Yet, said Vito Riggio, a senior government official, the police believe that more than half the fires were set by arsonists, some locked in vendettas, some pursuing frauds that turn burned woodland and olive groves into profit.

The worst have consumed large tracts of Sardinia and Liguria, the northern province that forms part of the Italian Riviera, provoking speculation that after a series of bombings in Florence, Milan and Rome earlier this year, a new "ecological terrorism" has supplanted the "cultural terrorism" behind the bombing of churches and art galleries.

"The flames that are devouring Italy are the result of a destructive, criminal plot," said Emanuele Sanna, a Sardinian official charged with defending the environment.

This being Italy, it comes as no surprise that in the cafes — even in the newspapers — some people say that the Mafia is behind it all.

The authorities have not produced evidence to support that theory, but seem in no doubt that, just as there is no smoke without fire, there is no fire without malign intent.

"There is no single cause, but the conclusion remains that a vast network of illegality is directed against the most defensible part of our territory — the forests, the countryside," Mr. Riggio said after meeting in Rome on Monday with Prime Minister Carlo Azeglio Ciampi to discuss the fires.

In the lakeside resort of Trevignano, 55 kilometers north of Rome, the fires at one time threatened homes on the hillside above the village, and helicopters flew in to scoop huge buckets of lake water and dump it on the blaze. South of Rome, near Terracina, last month, fire fighting planes flew hours of sorties as great tracts of Sardinia burned.

Some attributed the fires here to conspirators intended to circumvent Italian laws forbidding the building of houses on agricultural land. Once the land's agricultural capacity has gone, however, houses may be built.

"This year seems worse," a long-time foreign resident said, "but it is not new. One day you see the fires on agricultural land; the next day the bulldozers move in to start housing developments."

Elsewhere, people have detected other motives. In Sicily, for instance, on the flanks of Mount Etna, the island's great and still-active volcano, there is a "vicious circle" of arson leading to reforestation, leading to more arson to extend reforestation contracts, said Pantalone Sergi, a reporter. "The fires produce jobs and force the authorities to spend extra money and that money becomes a sea of gold for somebody," the Sicilian journalist said.

Mario Deaglio, an economist and political expert at the University of Turin, wrote recently that just as mobsters in the city burn down stores whose "rebellious" owners refuse to pay protection money, outside the city "the burning of land near a campsite or holiday resort punishes the rebellious tourism manager."

Sometimes, though, the motives seem more personal.

In Sardinia, Tommaso Cadau, a 41-year-old jobless islander, was arrested this month and charged with arson. According to the police, he set a fire because he had been turned down for a job as a fire fighter.

Others, according to the police, set fires so that they will find work as a fire fighters putting out the same blaze as they started.

Some, like the brothers Michele and Aniello Fucito, are accused of setting a fire to settle a long-running family land feud on the Sorrento peninsula near Naples, only to consume vast tracts of land in the hills above their smallholding.

One arrested arsonist was identified by the police as Massimo Fuoco, a name that could be translated literally as "Maximum Fire."

Among the more bizarre — if less conspiratorial — episodes was the fire that started in the Umbrian hills on Sunday when people chartered a train to protest the closing of small branch lines by the state railroad.

To make a day of it, they hired five turn-of-the-century railroad cars, hauled by an equally antique, coal-burning steam engine. But the sparks from the smokestack set fire to land in the hills near Spoleto, according to newspaper accounts.

Unaware of what was happening in their wake, the train riders rolled on toward Lake Trasimeno, waving genially to bathers on the shore, whose curiosity at the steam train's passing turned to panic when sparks set fire to the grasslands fringing the beach.

Mr. Glazevy, angry about the humiliation and the charges, resigned on Saturday in a furious letter in which he said he was a victim of "mafia bands" worming their way into power. He accused two senior government officials — Justice Minister Yuri K. Kalmykov and First Deputy Minister Vladimir F. Shumeko, who is also under investigation for corruption — of bounding him from office.

Michael Berger of Izvestia speculated that "powerful personalities" wanted Mr. Glazevy's "attractive and extremely influential job."

Nezavisimaya Gazeta came to the point: Mr. Yeltsin had to decide whether to support Mr. Shumeko or Mr. Glazevy, with his plan to bring more order and more state regulation into foreign trade.

RUSSIA: Political Squabbles Undermine Authority

Continued from Page 1

Moscow. His ministry, which handles much lucrative business, is a regular target for corruption charges, and he had just ordered a sharp cut in the number of companies authorized to export oil, oil products and nonferrous metals.

Illegal sales of these commodities, exported cheaply and then sold for hard currency at market prices, have cost Russia billions of dollars, much of it deposited abroad. But at least some of this money comes from "friendly companies" set up by the Communist Party to get funds out of the country; there is also considerable evidence that the Security Ministry

controls important export businesses.

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BALKANS: Bosnia Challenges UN on Partition

Continued from Page 1

as uncooperative by those who have the very responsibility to stop the crime," Mr. Sacireby stated.

An agreement reached under present conditions, he said, would be "null and void on the basis that any signature was coerced under the threat of continuing genocide."

In its official application to the court, Bosnia asked that Yugoslavia and its leaders, particularly President Slobodan Milosevic of Serbia, be ordered to "immediately cease and desist from any and all efforts, plans, schemes, proposals or negotiations to partition, dismember, annex or incorporate the sovereign territory of Bosnia and Herzegovina."

Partition of Bosnia is a central aspect of the peace plan devised in part by the UN mediator, Lord Owen. Bosnia asked the court to rule that the plan, and by extension the entire UN-sponsored negotiating process, is illegal under provisions of the 1948 convention banning genocide.

The 1948 convention requires signatory nations to do whatever is necessary to prevent genocide. Bosnia's lawyers declared that lifting the arms embargo against their government was their only hope to avoid "partition and dismemberment by means of genocide."

By these arguments, Bosnia seeks to persuade the court that it should take a broad view of its mandate and make policy decisions that have traditionally been made by political organs of the United Nations. The court will have to decide not only whether there is a legal basis for Bosnia's requests, but also whether it would be prudent to order the reversal of decisions made by the Security Council.

HIDES: 'Buy Shoes, Save a Gator'

Continued from Page 1

the industry was being compared to a living gold mine. Prices reached \$60 a foot for wild alligator skins and \$180 a foot for farm-raised. People rushed into the industry. Some farmers became rich.

By late 1990, however, the bottom fell out. Now alligator skin sells almost for less than it costs to produce them. Prices have never been so low: Wild skins sell for \$20 a foot and farm-raised for \$75 a foot.

"It's killing us," said Kevin Foster, a gator farmer in Okaloosa. "There are a lot of us just barely holding on."

In Florida and Louisiana, as many as one-third of gator ranchers may go out of business. The largest gator rancher in Florida has filed for bankruptcy protection.

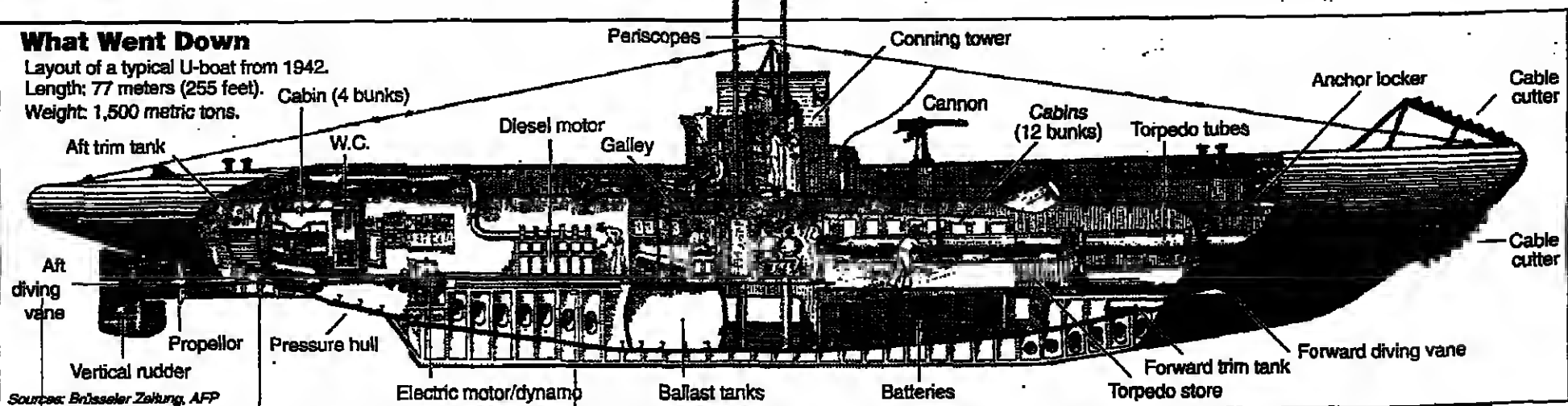
But the gators keep eating, hundreds of thousands of them, chomping on ground beef and chicken wings and gator chow, while a worldwide slump sends the new industry reeling.

The reason for the slump is well known: Overproduction collides with lowered demand; too many skins for too few buyers.

A worldwide recession, particularly in Japan, reduced demand. About half of all alligator skins are bought by Japan, so a dip in the Japanese Stock Exchange or Tokyo real-estate prices means fewer alligator purses sold.

There is another problem, gator farmers said. Many Americans think that buying alligator products is illegal or unethical.

"Most people still think they're endangered," Mr. Ashley said.



Layout of a typical U-boat from 1942. Length: 77 meters (255 feet). Weight: 1,500 metric tons. Source: Brüsseler Zeitung, AFP

EUROPEAN TOPICS

A Time and a Place For Going Natural

The French may have a casual attitude about nudity on the beach, but skinny dress in the city is another matter. For the mayor of Saint-Raphaël, on the Riviera, the last straw came when a half-nude woman came to City Hall to do business. It is now illegal to stroll through the city in anything less than shorts and T-shirt.

Mayor Charles Omede, who is in his 70s, rejects the nickname some have pinned on him, Mayor Modest, saying the old standard has more to do with aesthetics and a sense of propriety.

"If they were all Lido pin-ups, I'd drop this law in a minute," he adds with a wink.

In Paris, meanwhile, the daily Franco-Soir has complained of a growing "anything-goes" attitude among vacationers and sunbathers, primarily along the Seine and on the lawn near the Eiffel Tower.

Tired of thin and sassy wine, a group of Roman Catholic prelates, primarily along the Seine and on the lawn near the Eiffel Tower, are pushing for a law to restrict wine labeling, the country's 36,000 tra-

U-BOAT: No Treasures So Far

Continued from Page 1

usual 13 tons. But according to a former officer on the vessel, the salvagers will find nothing special.

The former officer, William Brinkmann, who was second in command of the submarine, although not on board for its final voyage, denied rumors that the submarine was transporting senior officials fleeing after Nazi forces had surrendered.

"There was nothing in treasures," Mr. Brinkmann said in a television interview. "It was just a normal trip. They were commanded to go from Kiel to Oslo to surrender to the English."

A Danish-Dutch consortium brought the U-534 to the surface on Monday morning.

The salvage experts then worked to flush mud out of the vessel after it had been lifted out of the water. Mud had filled the space between the two hulls and made the craft too heavy to move.

Mr. Wardlaw said a full investigation of the submarine would be carried out under Danish Defense Ministry supervision at Hirtshals, a port on the northern tip of Jutland, and could take months.

The initial investigation of the vessel is being carried out about 20 kilometers (12 miles) northeast of the Danish island of Anholt in the Kattegat seaway.

The submarine was found in 1986 by Danish divers in one of the deepest crevices of the seaway.

Rumors of treasure arose because the submarine was of a type designed for long voyages and was attached to the German 33d Flotilla, whose main duty was to transport people and valuable cargoes to and from Japan, Germany's ally.

Mr. Brinkmann, who now lives in Waterloo, Ontario, left the U-boat two months before it was sunk. In the TV interview, he said that in 1978 he had asked the submarine's former chief engineer about rumors that the vessel had been carrying treasures or Nazi officials.

"In his opinion, this wasn't true," he said. "We talked about those rumors and it turned out that they were just rumors."

Mr. Wardlaw said some of the ammunition for the boat's anti-aircraft cannons was still in perfect condition as were six torpedoes in the fore and aft firing tubes.

He said the vessel, eventually due to be put on permanent exhibition in Denmark, was in "fantastic shape." (AP, Reuters)

PLOT: U.S. Indicts Egyptian Cleric in Trade Center Bombing and UN Plot

Continued from Page 1

were permissible or forbidden, served as a mediator of disputes among members of the organization and undertook to protect the organization from infiltration by law enforcement organizations."

Named with Sheikh Abdel Rahman and Mr. Nosair in the alleged plot to assassinate President Mubarak were Mohammed Abouhlima, the brother of a defendant in the trade center bombing, and Abdo Mohammed Haggag, who was arrested on a similar charge last month.

The federal indictment charges Mr. Nosair with racketeering for having murdered Rabbi Kahane by shooting him at a Manhattan hotel. It also said that he attempted to kill a U.S. postal officer as he fled.

Mr. Nosair is regarded as a hero by his following of young Muslim radicals. Many of those charged earlier in the two cases were known to have supported him during his trial and to have visited him in prison.

"I'm sick. I'm simply devastated," Khadijah Nosair, Mr. Nosair's wife, said in reaction to the new indictment. She called it "a pack of lies."

The new indictment had been promised a month ago by prosecutors who were transcribing hundreds of hours of tape-recordings made by a government informant who had become a confidant of Sheikh Abdel Rahman.

Acting on information from the informant, authorities proceeded to make arrests. The first occurred during a June 24 raid when authorities said they apprehended five of the suspects mixing bomb ingredients in barrels.

Prosecutors have said the government infiltrated the alleged terror ring as long ago as November 1991 but did not get information about the plot against the World Trade Center before the attack.

Before the disclosure of the new indictment, security was increased outside the federal courthouse in lower Manhattan. More than 160 police officers were assembled and trucks carrying barricades were parked in front.

Roq Kubay, a lawyer to William Kunstler's office, which is handling the defense for two suspects in the alleged terror plot and represented Mr. Nosair at his trial, said he was disappointed.

"This is the closest I've ever seen to using the criminal justice system to indict a religious group for religious teaching," he said. (AP, Reuters)

Mob in Black Township Kills U.S. Student Near Cape Town

CAPE TOWN — A white American postgraduate student was dragged from her car by a 100-strong mob in the Gugulethu black township near here and stabbed and beaten to death Wednesday, a senior African National Congress official said.

The official, the Reverend Allan A. Boesak, said that the killing was "clearly a racist attack." The student, Amy Elizabeth Biehl, 26, of Newport Beach, California, was driving home two black women with whom she worked at the ANC-leaning Community Law Center when the attack occurred, Mr. Boesak said.

He said the mob surrounded the car and began chanting the favored slogan of the hard-line Pan Africanist Congress: "One settler (white), one bullet."

The student was a Fulbright exchange scholar doing research at the mainly black University of the Western Cape for the last 10 months.

Mob in Black Township Kills U.S. Student Near Cape Town

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The student was a Fulbright exchange scholar doing research at the mainly black University of the Western Cape for the last 10 months.

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The Rural Health Services Project is financed by the African Development Bank (ADB) under the Ministry of Health. Lesotho Government is in the process of upgrading eight District Hospitals. The hospitals in three districts (Butha Buthe, Leribe and Mofutsa's Hoek) have been completed and the construction work in two districts (Mafeteng and Quthing) are in progress and are expected to be completed in August 1993. The construction works for final phase are expected to start in January 1994 and will involve upgrading of three hospitals (Berea, Qacha's Nek and Mokhotlong).

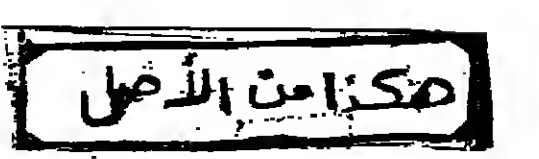
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Ministry of Health
P.O. Box 514
Maseru 100
Lesotho

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Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

U.S. Weapons for Saudi Oil

Remember when economists stayed up nights worrying about how the world would ever be able to recycle Saudi Arabia's huge petrodollar surpluses? Today's worry in Washington is about the dangers that flow from Saudi Arabia's equally huge deficits. Financial reserves that less than a decade ago totaled \$121 billion have melted away, spent on lavish social programs, eccentric development schemes, subsidies to domestic and foreign friends of the Saudi royal family — and weapons. Since the Gulf War, the largest share has been going to weapons, especially those bought from the United States.

In the short run, this recycling of American dollars spent on oil for U.S.-made weapons is good for the American economy. But in the longer term it could bring trouble. The rough economic equilibrium that has achieved a measure of stability to the Middle East since the end of the 1970s suggests how badly things can go wrong. Weapons cannot guarantee domestic tranquility, nor assure permanent friendship.

Saudi Arabia, a vast but thinly settled country, sits on top of the world's largest known reserves of oil. Even with today's relatively low petroleum prices, oil exports still earn Riyadh more than \$40 billion a year. But in every year since 1983, Saudi Arabia has run both a trade and a budget deficit. When calculated as a percentage of gross domestic product, Riyadh's \$7.4 billion budget deficit last year was twice as large as Washington's. Since the Gulf War, about \$16 billion in annual Saudi spending has gone to defense.

More than \$30 billion in Saudi arms purchases from America are currently pending, plus \$6 billion in civil aircraft. Last week President Bill Clinton phoned King Fahd to lobby for U.S. aircraft companies as Saudi, the state airline, prepares to order a modernized fleet. The Export-Import Bank is prepared to grease the Saudi sale with more than \$6 billion in American taxpayer-backed loan guarantees.

Although it is no longer flush, Saudi Arabia is scarcely bankrupt. There is still plenty of oil underground, and much wasteful spending could be cut. And, as Americans will be particularly infuriated to learn, Saudi citizens still pay virtually no taxes. Tax-free benefits are doled out to keep Saudis reasonably content with an authoritarian system that offers limited rights and no meaningful opportunity for political participation. Some analysts worry that the kind of austerity policies that now seem to be called for could provoke social unrest.

As long as the United States maintains its present thirst for imported oil, it will keep pumping lots of dollars into the Middle East and keep looking for ways to cycle those dollars back into the U.S. economy. When oil dollars go to the lightly populated, autocratically ruled Arab monarchies of the Gulf, America does not have much to sell them besides weapons. That tends to lock both sides into an unhealthy, mutually addictive, arms-for-oil relationship. Unless, that is, Congress finally musters the intellectual grit to treat America's addiction by passing a balanced energy tax and endorsing a strategic conservation plan to go with it.

—THE NEW YORK TIMES

NAFTA and 'One World'

When the late Wendell Willkie, Franklin Roosevelt's electoral foe but philosophical friend, wrote his book "One World," his purpose was to defend internationalism and further the cause of the Allies in World War II. Inadvertently he also gave the farther reaches of the American political right one of its favorite slogans. To be accused of "One Worldism" by the minority of right-wingers given to a dark view of the world is to be cast into a nasty conspiracy intent on creating some sort of dictatorial world government. The death of communism has done less than might have been expected to still such fears.

Cries of "One Worldism" have arisen again in opposition to the North American Free Trade Agreement, which would create an open market among the United States, Canada and Mexico. Reporting in The Wall Street Journal on an anti-NAFTA rally in California, Tim Fessenden noted the presence of literature from the Liberty Lobby, representing the wider reaches of the right, and the complaints of one participant that NAFTA represented a "step toward One World." A speaker at the rally took up the cry of opposition to "international government" and charged that a vote for NAFTA amounted to "treason." The conservative columnist Pat Buchanan, representing a decided minority within the Republican Party, has taken to opposing NAFTA as an attack on "national sovereignty."

Let it be said up front that neither the conspiracy nuts nor Mr. Buchanan represent most of the opposition to the free trade treaty. Leaders of organized labor and some environ-

mentalists oppose the treaty on more reasonable grounds involving fears about job losses and worries that the Mexican government would leave environmental laws unenforced. We believe that opponents of the treaty are mistaken. They underestimate both the potential economic benefits of the agreement to the United States and the near certainty that a more prosperous Mexico will be in a better position to protect its environment.

But the argument here is over evidence and its meaning, and the same cannot be said of those who claim to see in NAFTA the shadowy hand of villainous forces. Those who advance this darker view hope to play on the legitimate fears that many Americans have about the global economy and how it will affect their living standards. The NAFTA debate should focus on these worries. It should be an argument about how the United States can best secure prosperity to a world marketplace that has already transformed the meaning of "sovereignty."

Those who would invent "One World" conspiracies or create scapegoats will neither help the United States nor advance the interests of Americans who may well need assistance in what is a difficult transition period in the world economy. Opponents of NAFTA have arguments to make. But they should resist the temptation to lend any credence to those who would use the NAFTA debate to sell their favorite theories about the plots and schemes of unspoken, sinister forces. What is going on is a policy argument, not an exorcism.

—THE WASHINGTON POST

Other Comment

China's Corruption Fight

Corruption has again raised serious concern in China, and rightly so. The pro-democracy protests in 1989 were fueled not only by spiraling inflation but by public anger over malpractices by government officials and Communist Party members. Over the past two years, kickbacks, bribes, embezzlement and other misdeeds have resurfaced, raising fears of instability. Aware of the gravity of the situation, the government launched an anti-corruption drive last week, pledging to punish officials no matter how highly placed they were. The move follows a series of scandals indicating that corruption has reached new heights. That it is taking place on a large scale is clear from reports that some 50,000 government and party officials were reprimanded or punished over various charges of corruption in the first half of this year. Corruption is also rampant in the military.

Aware of the urgency, the government plans to switch over to a modern civil service structure and trim the bureaucracy by 1995. The police is also to be modernized. Some new rules have been framed that make various acts of corruption a crime, reducing some of the fuzziness that existed previously.

Critical to rooting out corruption will be making the administrative system transparent and giving it a body of laws to prevent government functionaries from exercising excessive authority. Economic modernization will also help to promote transparency. Another requirement for stemming corruption is resuscitating central control. But decades of inertia and the lingering legacies of communism cannot be reversed overnight. This will take a sustained and dedicated effort. Punishing a few corrupt high-ranking officials may appease the public for a while, but the problem

will soon resurface. Unless its causes are addressed, corruption will continue to pose a threat to the country's stability.

—The Straits Times (Singapore)

Cynicism Over Sarajevo

Is it right to save a horribly wounded child from the inferno in Sarajevo and forget his father who lies alongside in agony? And why does a government, shocked by its own indifference after seeing Irma Hadzimiratovic's dying eyes, send a plane to save 20 other children and get angry protest when the plane returns with 13 critically wounded adults and only seven children? It seems that there is no limit to the cynicism with which half of Europe has managed to remove the war in ex-Yugoslavia from its conscience. And now this war has become a kind of supermarket in which countries and newspapers think they can choose the wounded who will most touch voters.

—La Repubblica (Rome)

An Alarm in the Amazon

The massacre of Yanomami Indians in Brazil should be a wakeup call to the growing violence along the Amazon. Searching for riches or just land to farm, outsiders have visited brutally upon these natives — whose tribes were "discovered" in the 1970s. Resettling them in a police raid, illegal miners shot men and slit the throats of women and children.

The Brazilian government appears to be trying to help, but it should act more forcefully. Growing pressure from the international community could make a difference.

It's shocking that the response is not more vehement. The line between civilization and barbarism has been crossed.

—New York Daily News

Since When Is It the President's Job to Sell Airplanes?

By Hobart Rowen

WASHINGTON — George Bush went to Tokyo early last year, accompanied by top auto executives from Detroit, and tried his best to sell their cars and auto parts. For this he was subjected to ridicule not only by the Japanese but also by Americans who are uncomfortable when their president acts as a sales rep for private companies.

Mr. Bush's political opponents, including Governor Bill Clinton of Arkansas, joined in the fun. But now President Bill Clinton has gone Mr. Bush one better. By directly intervening with King Fahd of Saudi Arabia, who was considering buying Airbus Industries passenger jets made in Europe, Mr. Clinton swung the \$6 billion deal to two big American companies, Boeing and McDonnell Douglas.

At least the Japanese declined to do Mr. Bush a favor, so America owes the Japanese nothing for his indiscretion. But what does King Fahd get for acceding to Mr. Clinton's plea? We don't know what, if anything, Mr. Clinton promised him, or whether King Fahd merely banked a chip to cash later.

But, given recent history, one can hazard a guess.

Despite all pretense of being a strong and independent power, the Saudis have become financially weak in the past decade, a result of the sharp drop in the real price of oil, huge defense and war costs, and extravagant living. Moreover, the Saudi regime remains threatened by its two mortal enemies, Iraq and Iran.

All these Saudi vulnerabilities were pointed out in the past several years in a series of reports by Professor Elyahu Kanovsky of Bar-Ilan University in Israel. He challenged the conventional wisdom that the Saudis would continue to control the price of oil. Last week his reporting and analysis were confirmed in reports by The New York Times.

Mr. Clinton phoned King Fahd last Tuesday, thanking him for reporting favorably to a written communication he had sent on behalf of Boeing and McDonnell Douglas. It is clear to the king, Mr. Kanovsky told me in a conversation from Jerusalem, that the only protection his country and the royal family have from Iran and Iraq is from the United States.

While King Fahd, considering his regime's financial strain, might momentarily have been tempted by the subsidies offered by Airbus, it probably was not much of an effort for Mr. Clinton to persuade him to get his priorities straight. "Cin-

ton doesn't have to make outright promises," Mr. Kanovsky said. "The Saudi monarchy was saved by America during the Persian Gulf War," he added. "If he has to pay more than for the Airbus, it's a small price to pay."

As always, there is no free lunch.

allow his name to be used said flatly that there was no quid pro quo.

The larger question is whether President Clinton's intervention prescribes that amount to a perversion of both the enterprise system and democratic government.

States, caught up in the fierce competition for jobs, feel that they have no choice but to play a game which depletes the public treasury and forces higher taxes on the decent souls, including most business people, who would not think of holding the public hostage. And who can really blame companies for squeezing out every last million if states and cities are willing to let them do it?

Fortunately, some governors are tiring of this cycle. One of them, Jim Edgar of Illinois, a Republican, has launched a personal crusade to encourage states to agree to "incentives" — work designed to "de-escalate the bidding wars."

The first fruits of Governor Edgar's work came at this month's meeting of the National Governors Association, which adopted his "voluntary guidelines" to place limits on how much states would give away in tax breaks and subsidies.

Clinton's appeal to Fahd marks a new level of U.S. intervention on behalf of commercial industry.

If King Fahd is reassured of military protection, he pays a premium for his passenger planes. If President Clinton's intervention preserves jobs in the American aircraft industry, he reinforces the U.S. commitment to defend the Saudi monarchy, if Mr. Kanovsky has it right. An administration official who would not

appeal to King Fahd — confirmed by both the White House and Saudi officials — marks a new level of American government intervention on behalf of commercial industry.

It is an old game for others, notably to France, where for many years the government and the business community have been in bed together.

State Governments Should Mind Their Own Business

By E. J. Dionne Jr.

WASHINGTON — Now it can be told: State governments all over the United States are engaged in bribery on a massive scale.

This cash-for-jobs scandal is perfectly legal. It involves huge tax breaks and subsidies for companies that use the threat of moving or opening elsewhere to extract every last penny from taxpayers. The governors who pay the biggest bribes (or, if you prefer, cave in most abjectly to this extortion) are praised as farsighted advocates of "job creation" and "economic development."

All right, none of this activity falls into what is conventionally described as a "scandal." But that may be the largest scandal of all.

While we Americans are rightly outraged by illegal payoffs and the illegal use of government funds on behalf of private interests, we have spent the last 20 years or so concentrating "incentives" that amount to a perversion of both the enterprise system and democratic government.

States, caught up in the fierce competition for jobs, feel that they have no choice but to play a game which depletes the public treasury and forces higher taxes on the decent souls, including most business people, who would not think of holding the public hostage. And who can really blame companies for squeezing out every last million if states and cities are willing to let them do it?

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The first fruits of Governor Edgar's work came at this month's meeting of the National Governors Association, which adopted his "voluntary guidelines" to place limits on how much states would give away in tax breaks and subsidies.

The guidelines may have only the most limited practical effect. Mr. Edgar concedes that many states — especially poor ones — will continue to feel that they have no option but to do nearly anything to lure jobs. But the principles Mr. Edgar got the governors to adopt are the right ones.

The Edgar approach asks states to take a broad view of creating "a good business climate." Being friendly to business involves not simply "tax and regulatory policies conducive to growth" but also "quality education and an outstanding transportation system," and job training programs that "benefit existing businesses as well as attract new ones."

When states do put up money, Mr. Edgar says, they should invest "in people and communities" so that the effectiveness of public spending is not "wholly dependent on the fortunes of one business." And he suggests that companies which are showered with subsidies but do not live up to their promises "in terms of investment, jobs and payroll" ought to be held accountable.

What makes the campaign especially significant is that Mr. Edgar is a Republican and a friend of business. In fact, he said in an interview that he came to this case in large part because of complaints from business people — the "good corporate citizens," as he put it — who had paid their taxes and contributed to their communities for years.

Some people, Mr. Edgar said, were infuriated with the state for giving special breaks to individual companies that were sometimes their fiercest competitors. The policy in effect punished both small businesses and large corporations that took their civic obligations seriously.

At stake here are not tiny sums. To get Toyota to

build an assembly plant in their state, Kentucky officials offered an estimated \$140 million in incentives. In Mr. Edgar's Illinois, local and state officials eager to keep the headquarters of Sears, Roebuck offered to put up \$61 million to build highways and improve the site.

Mr. Edgar is glad Sears stayed; it had a long history of creating jobs and paying taxes. But there are limits to how often states can make such deals without declaring their tax systems voluntary.

There are philosophical issues in this battle. They are rooted in the success that advocates of supply-side economics had in selling the idea that there was no problem, economic or social, that could not be solved by cutting taxes on someone. Supply-siders were at least consistent. They favored across-the-board income and capital gains tax cuts, not individually tailored breaks. But the view that the only thing government can do to spur growth is to cut tax rates ignores the practical things that governments have always done to create wealth and help communities prosper.

The low-tax, propaganda side of supply-side economics has obscured its real contribution, which was to push economists and policymakers to re-examine the factors that make individuals, companies and sectors of the economy more productive. They include the very things Mr. Edgar says government should help provide — among them better schools, better transportation systems, better job training, improved public safety.

That is why state and local governments should get out of the cutthroat competition in tax breaks and subsidies and compete instead on providing what they are supposed to provide: better government. It is an old-fashioned idea, but it just might be good for everybody's business.

The Washington Post

Young, Gullible and Taught to Hate

By Morris Dees

MONTGOMERY, Alabama — The white supremacist movement in the United States wears a new and terrifying face. You can see it in the photographs that ran with hundreds of newspaper articles in July about a plot foisted in Los Angeles to murder Rodney King, kill worshippers in a black church, bomb Jewish leaders and synagogues, and assassinate black entertainers and sports figures.

The police say that this heinous scenario, intended to ignite a race war, was masterminded by a 20-year-old man — a former Eagle Scout turned neo-Nazi.

The news photos did not show a sullen outcast with a shaved head and bomber jacket, or a beer-bellied, shotgun-toting Klansman. He is, in the words of one newspaper, "the epitome of the All-American boy." But he is, in fact, a self-described "skinhead," a member of the growing white supremacist movement that is much more sophisticated than most Americans realize.

Neo-Nazi skinheads — violent, angry, deeply troubled young men and a growing number of young women — are the most dangerous bigots in America today. They operate in at least 30 states; with about 3,500 members, their numbers are small in proportion to the violence they commit. Klanwatch, which I founded in 1979 to monitor white supremacy activities, has documented 25 murders by skinheads since 1988.

Psychologists say these young haters generally come from deeply troubled, dysfunctional families and are fundamentally damaged long before they swing their first baseball bat at someone or plant their first pipe bomb. Many are the most dangerous bigots in America today. They operate in at least 30 states; with about 3,500 members, their numbers are small in proportion to the violence they commit. Klanwatch, which I founded in 1979 to monitor white supremacy activities, has documented 25 murders by skinheads since 1988.

The old-guard, armchair extremists have no intention of being anywhere near the front lines if a "racial holy war" ever occurs. But they actively recruit impressionable teenagers who take their message to heart and act on it. And if a skinhead kid gets caught, the hate movement's elders are quick with their denials.

Several established hate groups, like White Aryan

Resistance (known as WAR) and the Church of the Creator, have been recruiting skinheads for several years. Members of both groups figured prominently in the recently uncovered race war plots in the West Coast. National leaders of both groups denied any knowledge of the scheme.

While the law enforcement agencies involved in investigating this conspiracy are to be commended, it will take more than arrests to stop skinhead violence. Until recently, skinhead violence was random and impulsive, mostly street crime targeting the nearest minority person. But their international counterparts have waged terrorist campaigns against immigrants and other minorities for at least two years. It may only be a matter of time before another race war scheme is hatched by American white supremacists.

We at the Southern Poverty Law Center fight white supremacists with civil suits. In 1990 we sued Tom Metzger and his White Aryan Resistance over the beating to death of a black man in Portland, Oregon. The jury found the WAR leader liable and awarded \$12.5 million to the victim's family. But, as important and gratifying as such victories are, they do not halt the hate.

The nation today is torn with bigotry and racial strife. Hate crimes are at an all-time high, and there is too much loose talk that blames immigrants and nonwhites for the economic difficulties that the country faces at the end of the Cold War.

The Southern Poverty Law Center began a project in 1991 called Teaching Tolerance. Its aim is to provide educators with ready-to-use materials that promote interracial and intercultural understanding beginning in kindergarten. We urgently need to reach students with messages of humanity before the messages of hate take root.

Law enforcement and the law center will continue to fight organized hate groups in the courts. But the real victory, the only one that can last, must be won in the hearts of young people.

The writer is chairman of the Southern Poverty Law Center and founder of Klanwatch. He contributed this column to The New York Times.

This Isn't the '60s, but Who Knows?

By Bob Herbert

NEW YORK — Each decade the memories become more vague, but with the release of new papers on the Kennedy assassination and this weekend's 30th anniversary observance of the March on Washington, 1963 is in the news.

Roger Staubach, the Navy quarterback, was supposed to have been on the cover of Life magazine that last week in November, but his photo had to be pulled and replaced by a portrait of the slain president.

Daisy Bates, a civil rights leader from Little Rock, Arkansas, recalled in a recent magazine interview that she was the person scheduled to address the crowd at the Lincoln Memorial immediately after Martin Luther King's "I Have a Dream" speech. "They were applauding so wildly," she said. "No one could hear me. No one was listening to me. . . . At the end of my two minutes, I realized that no one heard a word I said."

It was an extraordinary time. The transition from the '50s to the '60s was accelerating but was not yet complete. Miniskirts, flower children, the big Vietnam buildup, black power were all still in the future. In 1963 the baby boomers were in the early stages of their extended adolescence. They would be heard from shortly.

The turmoil was already under way. The civil rights leader Medgar Evers was shot to death in Jackson, Mississippi. Four black girls — three teenagers and an 11-year-old — were killed when the 16th Street Baptist Church in Birmingham, Al-

abama, was bombed. And Americans were astounded by photos of a Buddhist monk who had set himself aflame to protest the regime of Ngo Dinh Diem in Saigon.

Nevertheless it was a great time to be young in America. More youngsters than ever were graduating from high school and going on to college. The economy was surging. Jobs were plentiful. Political leadership was young and exciting and pointing toward a glorious future. America was putting men into space and sending young people abroad in the Peace Corps. Optimism ruled.

Even the bloodshed of the civil rights movement was seen in a positive light. The victims were martyrs, the mourned but necessary casualties of the increasingly successful battle for justice and equality. When protesters looked arms and sang "We Shall Overcome," there was never any doubt in their minds that they would. You had to be weird in those days to believe that progress was not a permanent state of affairs.

Thirty years later, young people still manage to be optimistic, but it's harder now. In 1993 you can come out of college laden with degrees and still have to struggle to find work. "I have to stay in school because there are no jobs available," says Jack Mortell, a senior at the University of Hartford, in Connecticut, who hopes to go on to law school. Still, when asked if he is optimistic, he replies, "Yes, very."

The New York Times

The Challenge of Covering Today's Inscrutable China

By Gerald Segal

LONDON — China has long been a difficult country to cover, but the nature of the changes there is making matters even worse. The reporting of China, much like China itself, needs to be modernized.

To begin with, there are problems with unreliable data.

William Pfaff argued on this page on July 26 that regular currency devaluations have meant that the dollar value of China's GDP has not increased much. But the IMF has argued that, based on calculations of purchasing power parities (PPP), China's economy is nearly three times the size we once thought.

We are only now evolving more efficient tools for valuing economies in the developing world. The fact that Chinese growth is so concentrated in coastal regions and that regional leaders are locked to a struggle with Beijing about how much revenue they have to remit makes the problem of assessing data especially difficult.

We have yet to modernize our ideas about such vital issues as China's defense spending. If it is correct, as Hong Kong China watchers suggest, that the enterprises owned by the armed forces produce profits equivalent to the official defense budget, and that the defense budget is half hidden in other parts of the state accounts, then PPP figures produce a Chinese defense budget in excess of \$40 billion and approaching the world's second largest.

But before jumping to conclusions, consider the notoriously unreliable data from the arms trade. The Stockholm International Peace Research Institute and the U.S. Congressional Research Service have just released annual reports on arms sales, with the former ranking China as fourth largest in the world and the latter placing China virtually off the list of major suppliers. Unreliable reports and political manipulation of data make it impossible to be sure of any conclusion on China's arms export strategy.

And all these wild stories about great Chinese arms imports from Russia are proving to be simply wrong.

Russia's official report to the United Nations Arms Register notes only the sale of 26 Su-27 fighter aircraft and 144 aviation missiles. What happened to the thousands of tanks and dozens more aircraft? Well, China has agreed this year to import 2,000 tanks, but they are 30-year-old T-62s, useful for parts and scrap metal.

There is also still a tendency to treat China as a story that can be covered from Beijing. But in an economy and society where power is being rapidly decentralized, journalists, officials and academics can no longer get by reading the papers or talking to their usual contacts in Beijing's ministries. Real economic data, assuming it is to be had anywhere, is best had closer to the sources of economic dynamism in coastal China. Local leaders lie to provincial leaders who in turn lie to Beijing, all for the sake of keeping most of the profits out of the hands of higher levels of bureaucrats.

One can no longer be a China watcher and travel only to Beijing. The real social and economic changes are to be found in the regions, and the stories are harder to assess as China becomes more complex.

The government has grown especially sensitive about the reporting of regionalism and its implications. Many journalists have been frustrated by petty and arbitrary restrictions. It is a matter of concern that many Western governments appear more tolerant of China's intimidation of foreign journalists than they were in the days of the former Soviet Union.

For governments, a more differentiated China implies a need for more travel by embassy staff and eventually for more consulates around the country, which is expensive. But failure to take a more nuanced view of China will be at the cost of accurate reporting of China — which is perhaps soon to have the world's largest economy.

The writer is editor of The Pacific Review and a senior fellow at the International Institute for Strategic Studies. He contributed this column to The International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Rags and Cholera

LONDON — In the House of Commons yesterday [Aug. 25] Mr. Macdonald asked the President of the Local Government Board whether the prohibition of the importation of rags, enacted last year, was on Aug. 9 revoked, and if so what other precautions the Local Government Board proposed to take to prevent the spread of cholera and other noxious diseases. Mr. Fowler said that the order had been revoked, and in revoking it the board acted on the advice of the Medical Department. Mr. Macdonald asked if there had not been several cases of cholera since the revocation. Mr. Fowler said the department were aware of none.

1918: Gorki Wants Out

AMSTERDAM — A despatch from Moscow to the West-Telegram, dated Aug. 24, says: Maxim Gorki, who has regained his health, intends to relinquish the editorship of the "Novaya

Zem" and to leave Russia. It is rumored, however, that the Government will refuse him a passport.

1943: Mountbatten's Men

OTTAWA — [From our New York edition:] Lord Louis Mountbatten, forty-three-year-old leader of Great Britain's famed Commandos, has been named supreme Allied commander in Southeast Asia for the conduct of operations against Japan. It was announced tonight [Aug. 26]. He will have formidable forces under his command — American and Chinese as well as British, Indian and Canadian. A vast army has been training in India for months for the obvious purpose of regaining the use of the Burma Road into China, thus clearing the way for shipment of military supplies to Generalissimo Chiang Kai-shek's forces. When the Burma blow will be struck is anyone's guess, but the monsoon season will not end until October, delaying it at least that much.

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OPINION

Even the Teachers Don't Trust Public Schools

By George F. Will

SAN DIEGO — In November, California, frequent incubator of America's future, will conduct a vote on Proposition 174...

can ask: What do teachers know about the public schools that voters ought to hear in mind in November?

Opponents of Proposition 174 have sunk to what can best be called boring hysteria. For example, Kathleen Brown, the Democrats' probable gubernatorial nominee, warns darkly that a "witches' coven" is talking about starting a school funded by Proposition 174 vouchers.

education's existing semi-monopoly many parents have no alternative to public schools teaching actual "responsibility" (as defined by condom-pushing "experts"), environmental "responsibility" (as defined by people who think Al Gore is a scientist) and multicultural "sensitivity" (as defined by whatever racial, sexual or ethnic faction has captured the curriculum).

Del Weber, president of the teachers union, warns that private school teachers are subject to fewer credentialing requirements than public school teachers. Ken Khachigian, strategist for the pro-174 campaign, replies that the public-school system produces lower results with its higher credentials, so in what sense are they "higher"?



most politically aggressive union. At last year's Democratic convention about one-eighth of the delegates were NEA members. The California union tried to block a vote on Proposition 174 because "there are some proposals that are so evil that they should never even be presented to the voters."

Although the National Education Association claims not to know how much state and local organizations like the California association spend on politics, Forbes magazine, extrapolating from spending in four representative states, estimates that at least \$16 million is spent annually. Almost that much may be spent in California in support of what Forbes calls the NEA's "Brezhnev doctrine" — socialism, in the form of government control of education, may not be rolled back anywhere.

To Help You Brace for Re-entry

By Ellen Goodman

BOSTON — There was a Catekill comedian who used to tell a story about his first time away from home and home cooking. After a week in army boot camp his stomach started to feel funny. He was convinced that something was terribly wrong with his digestive system, and perhaps his entire body.

Well, after much medical consultation, the problem was diagnosed. For

MEANWHILE

the first time in his life he wasn't suffering from heartburn. I think about him every summer during the dangerous season of vacations. People, even presidents, get away from the office for a week or two, and if they're not careful, they lose their equilibrium.

They wake up in the morning and feel funny. They realize that something is missing. Where has the stiffness in the neck gone? What happened to that old familiar stress lurking in the right quadrant of the brain?

They go through the checklist of personal items that are lost. The ironed clothes that hold the jaw tight have let go and their teeth aren't doing the midnight shift of grinding. The tension band around the eyebrows has relaxed its death grip.

It becomes clear too that the medicine cabinet has stayed untouched for days. The symptoms-bearers are feeling abnormal. Abnormally well.

Suddenly, the big is feeling back subversive messages that say that unwork may be good for them. It begins to seep around the edges of their con-

sciousness that maybe the work ethic is not the same as the pleasure principle. It occurs to them that if labor was all it's cracked up to be, we wouldn't celebrate Labor Day with a day off; we would celebrate with overtime.

At this point in the season, any sensible adult with a decent job, a retirement plan, and a primary fear of ending up on a sidewalk with a shopping cart begins to panic. The cause: re-entry phobia.

For this reason, as a public service, I have assembled a handy reference sheet to grasp all during vacation. Let me forget, lest we fear, this is in help us remember what is normal in the everyday workday world.

Normal is... being awakened in the digital dawn by a radio playing a re-voice of murder, mayhem, rock, roll and oews of the latest failed foreign policy.

Normal is... saying the same six words to your children before the 7:30 A.M. school bus: Hurry up, hurry up, hurry up.

Normal is... getting dressed in clothes that you buy for work, driving through traffic in a car that you are still paying for, to get to the job that you need so you can pay for the clothes, car and, especially, the house that you leave empty all day in order to afford to live in it.

Normal is... following a time plan that requires you to eat breakfast before you want it because otherwise you might be hungry for lunch before you can break for it.

Normal is... spending all day in

a sick building with windows that do not open and a thermostat that is seasonally dysfunctional, in order to make the environment consistently comfy and user-friendly for the main-frame computer.

Normal is... solving complex emotional problems of sibling rivalry and adolescent moral dilemmas of right and wrong, in three-minute telephone segments in mid-afternoon under the disapproving eye of a supervisor who lives alone with a parakeet for which he has health insurance.

Normal is... socializing by electronic mail with friends who work no more than 30 feet away.

Normal is... being required to wear a beeper so that your boss can call you out of an important meeting at the critical point in order to find out how it's going.

Normal is... sitting at a desk all day, under artificial light, eating machine food, hammed in by four walls, with a plastic plant, a telephone, a Rolodex, a sense of déjà vu and a manager who says you better start "thinking outside the envelope."

And of course, normal is... being grateful for your job because in two more years, if they don't downsize or move the office to Singapore, if the company isn't bought out, the technology hasn't become obsolete, and the entire work force hasn't been put on part-time, you will be entitled to three weeks off.

Now, there, don't you feel it? That old burning sensation creeping up the digestive tract. This vacation too shall pass. Pretty soon everything will be back to normal.

The Boston Globe.

LETTERS TO THE EDITOR

A Farewell to Arms

Aug. 6 passed almost unnoticed this year, although it marked 48 years since the first atomic bomb hit the Japanese city of Hiroshima and forever changed the world.

For more than four decades countless politicians and Cold Warriors have stressed how "blessed" we are to have "peacekeeping" nuclear weapons. The reality, however, has been a constant state of war, both hot and cold, with some 20 million people — mostly civilians — slaughtered in more than 100 major wars across the globe. So much for nuclear weapons keeping the peace!

Moreover, exhausting trillions of dollars on militarism has created a world of inexcusable poverty and critical environmental problems left largely unattended. And yet today the plague of militarism continues to grow, as is evident from Bosnia to Angola.

We are rapidly running out of time with our weapons obsession, yet the arms industry and the military are determined to keep the war business in business. Military budgets remain ridiculously high. And, although the United States is already the world's leading weapons seller, arms manufacturers want government-guaranteed loans to expand sales on the world market.

It is long past time for us to take to the rooftops and shout, "Enough!" The planet cannot work for the 21st century. The war business must be put out of business; the merchants of death must be eliminated. The task is to reshape the global political structure: to place strict limits on national sovereignty and to settle disputes between nations by world law

through a strengthened and democratized United Nations. This requires that we advance from parochial nationalism, racism, religious separatism and other forms of tribalism, to act as responsible citizens of the world. Only then can we end the war business, and make sure Hiroshima is not only impossible, but forever unthinkable.

DOUGLAS MATTERN, President, Association of World Citizens, Palo Alto, California.

of the lessons. What is happening in the former Yugoslavia is making a grim joke of European unity. Europe must bear most of the blame, but it must be shared by all members of the United Nations. United for what?

The leaders of the European Community are either ignorant of history or — to be blunt — cowards.

WILLIAM A. HARPER, Paris.

So far, and after many meetings among the Muslim countries, the help provided by them is nothing compared with that of Western nations.

Military involvement of Western powers can only add to the destruction and killing of innocent people, jeopardizing the humanitarian operations that so far have saved thousands of lives.

If at all, one ought to salute the courage and determination of the leaders of the Western democracies for the immense sacrifices they have made, and continue to make, in ex-Yugoslavia.

A. K. SADRY, Geneva.

India has fought several major wars with Pakistan and is in breach of UN Security Council resolutions on Kashmir. More Indian-Pakistani wars are to be expected in future, and the Security Council might have to intervene. It would cripple the council's effectiveness to have India as a permanent member with veto power. India's claim to a seat must be treated with the same seriousness as would a claim by Israel or Serbia.

By its conduct toward its neighbors, India has shown an inability to cope with the responsibilities of power. India has gobbled up Sikkim, and has relentlessly interfered in the affairs of Nepal and Sri Lanka. India is self-righteous and moralizing when it suits its purposes.

But the idea that India represents a moral force is laughable. Finally, India is widely distrusted in the rest of Asia. If we need another Asian seat on the Security Council, Indonesia would be my choice.

MARTIN SALGADO, Makati, Philippines.

The Price of Freedom

Regarding "Questions Foster Left Behind Are Worth Pursuing" (Opinion, Aug. 13) by William Safire:

The mark of a true democracy is a free press. Any disagreeable excesses are the price of a free press and are clearly worth paying. Unfortunately, the price of William Safire's article is an example.

In Mr. Safire's litany of questions, which takes up 90 percent of his article, there is not one question about the press and its potential role in Vietnam Foster's death. Not one question of the press's hypocritical purity as it casually commits public figures to the political obituary columns.

Mr. Safire's barrage of questions proves that the best defense is a good offense (with his not-so-subtle finish that 8 of 10 suicides are not driven by external — read the press — pressures). Investigative reporting is nice, but journalistic humility should not be an oxymoron.

MARC ST. JOHN, Paris.

East and West in Bosnia

I read with some amazement Ramzes Nassif's letter, "A Light on the Refugees" (Aug. 3).

The United States, Britain and France are not responsible for the atrocities taking place in Bosnia-Herzegovina. The French and the British governments were among the first to provide military contingents and have given exemplary assistance in protecting humanitarian operations, keeping the warring factions apart in dangerous situations.

India and the UN

The proposition that "India belongs in the UN Security Council" (Opinion, July 17) may be a suitable topic for debate in the secondary schools of that country. It is not a point of view that can be seriously considered. However, as you have seen fit to publish S. Nihal Singh's opinion, a rejoinder is necessary.

BOOKS

A MOUTHFUL OF AIR: Languages, Languages... Especially English

By Anthony Burgess. 416 pages. \$25. Morrow.

Reviewed by Marie Arana-Ward

ACCORDING to Homer, "The tongue of man is a twy thing." And so it would seem in a world where the human race jabs at itself in more than 2,000 languages. From the thatched-roof shapones of the Brazilian rain forest to the noisy noodle shops of Tianjin, man's tongue over the millennia has produced a pandemonium of sound. And yet, although languages appear daunting in their diversity, they are also remarkable for their regularity. As Hercules a task as if it is a student of linguistics sets out to make the contrasts and connections — in short, to analyze how all languages behave.

The product of a passionate linguist, "A Mouthful of Air" is not about those emblems of sound that live in books as literature, eminently memorizable but ultimately as frozen in time as a bug in amber. Language, writes Anthony Burgess, "is primarily so much air, a mouthful at a time, modified by connotations... impermanent, evanescent, highly changeable, but it is the primary reality, while writing and printing are of a secondary order."

Shunning the concept of language as totem, then, Burgess attempts to beguile the reader of this book with the raptures of language as process. He does so with all the endearing relish and clutter of a slightly-moonstruck professor who has decided to cover the whole of civilization in the space of a two-hour course.

Burgess began his career as a British Army lecturer on phonetics and has gone on to produce a prodigious body of work: 32 novels (among them, "A Clockwork Orange," 1962), countless musical compositions (full-blown symphonies as well as jazz), and 16 works of nonfiction on numerous subjects. Despite his polymathic range, however, Burgess is at heart a loyal laborer in the mines of linguistics, a tireless boater of that fecund yet elusive faculty that separates man from beast.

In "A Mouthful of Air" Burgess begins by setting out the most prized of linguistic tenets: that there is such a thing as a "primitive" language. Even so-called backward peoples (he cites Eskimos as an example) have highly sophisticated languages, and even though Finnish has a literature and Yanomana does not, the Finns cannot claim that they have a "better" system. Equally, if English is more widely spoken than Basque, it does not follow that it is inherently superior to Basque. That business of prevalence and superiority is the stuff of politics and opportunity, not linguistics.

And yet, as Burgess describes,

politics and history have had a profound effect on languages. More often than not, linguistic change occurs because of trade, wars, conquests, alliances, natural disasters or migrations. Languages in truth, are rich with examples of linguistic borrowing and every leacher of linguistics has his or her favorite story on this. Mine has always been the brave peregrinations of the Judeo-Luca word *yepa*, "addition." The noun was carried north by the conquistadors as *le napa*, "something extra," and, after centuries of hemispheric history, ended up in the mouths of French trappers in the bayou of Louisiana as *le nappe*, "grainy" or "up" — a word you will not find in any standard dictionary of French.

Apart from such trivia, Burgess does the hard work of describing the blocks and tools of the linguist. He outlines phonology — the "buzzes, hisses and bangs" of language. He summarizes morphology — the way a language "puts sounds on the road." He plunges into the transient "science" of semantics, telling anecdotes as he goes. ("Termination with extreme prejudice," for all its blandness, is CIA-speak for killing.)

English, adds Burgess, has become like Chinese in that it has had to serve many spoken forms. The written word "hard," for instance, serves a multiplicity of pronunciations from Brooklyn to Liverpool to Bombay.

In separate chapters Burgess dissects English, Russian and Malay, as well as Teutonic and Latin languages, but his descriptions are superficial and quick — light enough not to bore, but telegraphic enough sometimes to confuse. Ultimately, we are bound by the particulars of Burgess's experience. Like him, his book is a very British teacher. And it is limited by the individual languages Burgess knows best: Russian, Malay, Welsh, some Latin languages here and there. Burgess amiably bumbles his way through Japanese, but his coverage is awkward and summary.

These are quibbles, however, in a work that struggles nobly to keep the study of linguistics alive. If Burgess means this to be "a gentle rap on the door of linguistic knowledge," he produces a more vigorous sound than that.

An old Chinese proverb has it that "Talk does not cook rice," and of course we see the sense of that statement. But as Burgess amply demonstrates in "A Mouthful of Air," talk cooks up far more.

Marie Arana-Ward is on the staff of The Washington Post.

WHAT THEY'RE READING

Robert Taylor, an American banker with Merrill Lynch in Berlin is reading "A Suitable Boy" by Vikram Seth. "I'd heard it was the 'War and Peace' of the 1990s and am spending the summer working my way through the 1,349-page tome. It picks up my understanding of Indian social history after the British departed."

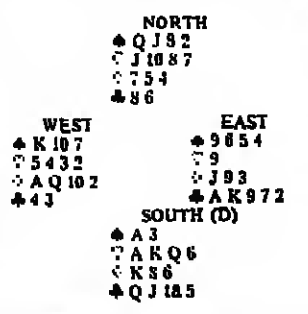
(Michael Kullenbach, IHT)

BRIDGE

By Alan Truscott

ASK yourself this question: What is the most unusual contract in bridge, disregarding doubles and redoubles? One answer is five no-trump. Another is one club. Impossible? Not quite, as the diagrammed deal shows. It occurred in the Green Point Pairs at the Eastern Regionals in Manhattan in May. This was played with table screens, and the West player, David Berkowitz, could see South but not the other two players. He deduced the strong one-club bid, in his method showing two suits, either both black suits or both red suits.

After a pass on his left, he awarded developments from the other side of the bidding screen. To his astonishment, somebody said, "Your lead." The East player, Larry Cohen, had made a penalty pass of the double and South had made a quixotic decision to stick it out.

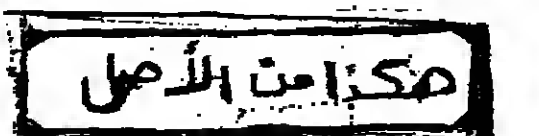


Neither side was vulnerable. The bidding: South West North East 1 Pass 1 Club 2 No Trump 3 No Trump 4 No Trump 5 No Trump West led the club four.

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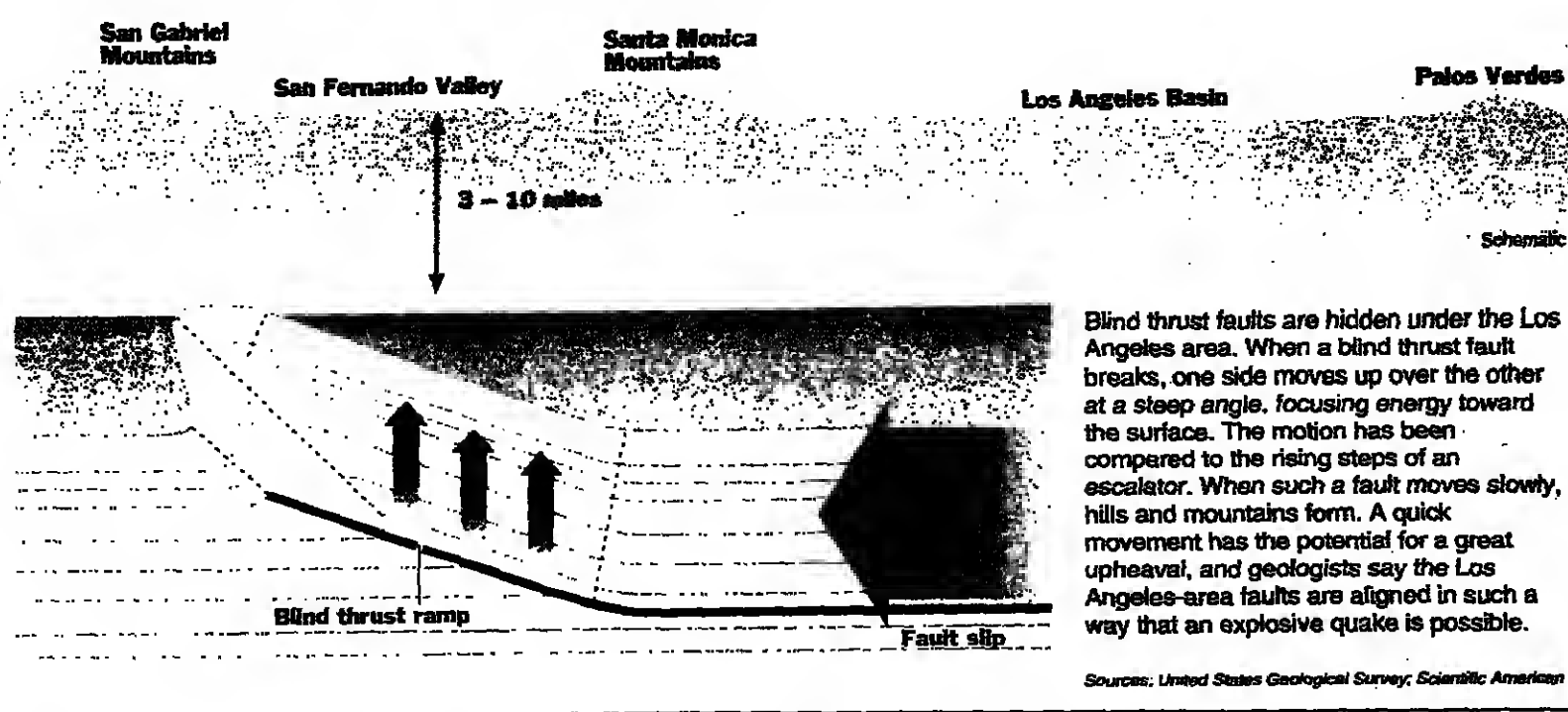
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50 من الأصل

HEALTH / SCIENCE

Escalating Pressure Under California Cities



Blind thrust faults are hidden under the Los Angeles area. When a blind thrust fault breaks, one side moves up over the other at a steep angle, focusing energy toward the surface.

Sources: United States Geological Survey; Scientific American

Hidden Faults, a New California Peril

By Sandra Blakeslee

LOS ANGELES — Buried deep beneath the freeways, shopping malls and luxurious homes of Los Angeles there lies a network of faults that could literally turn parts of this city upside down.

The faults are oriented in such a way that should they suddenly snap and produce a large earthquake, energy would be focused upward, moving like rockets fired from millions of submerged submarines.

The faults are called blind thrusts. They are "blind" because they do not break through to the surface, and scientists cannot see them directly.

Thrust faults tend to focus energy directly toward the surface, said Dr. David Schwartz, a researcher at the United States Geological Survey in Menlo Park, California.

Plans are afoot to run thumpers down several residential streets in Santa Monica and, if permission can be obtained, to close freeway sections in the San Fernando Valley, earthquake researchers say.

On the other hand, the faults may slip gradually so that energy is released upward over so slowly, giving gentle birth to hills like those that dot the Los Angeles basin.

Geologists call it the "Los Angeles earthquake dilemma" and among geophysical problems, it is a big one.

So each day for the last couple of years, local scientists have, like so many ants crawling over the lid of a closed honey pot, fanned out over the basin in search of answers.

They are also "thumping" surface streets to obtain sonographic images of the earth's crust.

Several are afoot to run thumpers down several residential streets in Santa Monica and, if permission can be obtained, to close freeway sections in the San Fernando Valley.

In a similar experiment scheduled for October, scientists plan to set off 60 underground explosions along a 100-mile line through the Los Angeles region.

An even larger experiment, planned for next year, involves firing an air gun off the coast and capturing reflected waves from the earth's crust.

"Blind thrust" faults focus energy and could hurl people and objects into the air.

"These blind-thrust faults under LA are five miles down," Dr. Schwartz said.

"There's a certain amount of mob hysteria among scientists in southern California," said Dr. Allan Lindh, chief seismologist at the United States Geological Survey in Menlo Park.

"We are in a funny position of saying to people, 'Look, we have this hazard here but we don't know the size of it, we don't know how often it moves and we don't know its geometry. It's a scary structure if it exists. Yes, it would be bad if it moves, but we can't give you a probability. It could happen to-

morrow or in a thousand years. It's not a very satisfying answer, but that's where we are."

With this uncertainty in mind, the Southern California Earthquake Consortium was established two and a half years ago with funds from the National Science Foundation.

Dr. Thomas Heney, the program's director and a geology professor at the University of Southern California, said, "We've been slow to realize that the earthquake hazard in southern California involves more than the San Andreas fault."

Not all earthquake experts agree that the buried faults are very dangerous.

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Peru's Looted Heritage

By Nathaniel C. Nash

LOMAS DE LACHAY, Peru — Two hours north of Lima, a dirt road off the main highway runs into the desert, past a chicken farm and up to a series of rounded hills.

Strewed around are pieces of ancient pottery and fragments of human bones from the Chavico culture, which flourished between 700 and 1400 — worthless items diggers left behind.

Gone are any pieces that can be sold to tourists, antiquities dealers or collectors in Lima.

"They pulled some good pieces out of there just yesterday," said a passer-by who would not give his name.

Lomas de Lachay is one of thousands of places in Peru where looters are excavating ancient ruins, creating archaeological evidence, and then selling the country's cultural heritage at an alarming rate.

In 1987 the opening by thieves of a spectacular tomb in the north touched off a looting frenzy that archaeologists say has increased with Peru's troubled economic condition.

After five years of deep recession, which has left 70 percent of Peruvians in poverty, the economy is showing only the first signs of recovery.

"It's sad to say, but there is no money, and I doubt there will be any money in the future," Pedro Giannone, director of the National Institute of Culture, said in an interview with El Comercio of Lima.

from the South Pacific and bakes it with other chemicals, transforming the coral's calcium carbonate into bone-like hydroxyapatite.

There is at least one drawback: The baked coral is more brittle than the real thing, and cannot bear weight well.

Some scientists have looked to ceramics because of their strength.

Not every expert is impressed with bone substitutes, Mutaz B. Habel of Tampa, co-author of the book "Bone Grafts and Bone Substitutes," said that surgeons get very excited about new substances, but should be more skeptical.

Interprete International of Irvine, California, harvests coral (from the genera Porites and Genipora)

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lucrative market that makes it almost impossible to stop peasants from plundering sites.

Stripped for cash, the government has abandoned the care of all but the most famous sites and most valuable antiquities.

For Peru, which along with Mexico has the richest archaeological heritage in all of the Americas, the plundering of such treasures not only continues a historical pattern set 500 years ago by the Spanish, but is also the product of social and economic problems of the late 20th century.

As well as survivors have sought to harvest the golden riches of societies like the Incas, which flourished in the northern coastal desert from about 250 B.C. to A.D. 400; the Nazca culture and its vast complex of mysterious lines etched in the southern Peruvian desert; the Tiahuanaco culture around Lake Titicaca; and the country's most dominating civilization, the Inca, whose empire in the 15th century stretched from Venezuela to Patagonia in Argentina.

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The Making of a Male, Gerbil Style

By Natalie Angier

New York Times Service

NEW YORK — For many a young girl, a childhood spent with brothers has moments of fear and exasperation.

Scientists studying the blond, fuzzy-tailed rodents have discovered that when a female fetus matures in the womb with a male fetus on either side of her, the impact of all those male hormones on her development has a startling consequence.

The female grows up and bears litters with a significantly higher proportion of sons than do females who spend their prenatal days sandwiched between other females.

Nor does the influence of male hormones end with the female gerbil's immediate offspring. In bearing an excessive number of males with each pregnancy, the mother also helps assure that any female she carries is herself likely to be surrounded by males, and hence to be exposed to the high levels of male hormones, or androgens, that will turn her into a vigorous bearer of sons.

Gerbils generally have seven to eight pups per litter, and the study showed that those females whose immediate womb mates were males end up producing broods that are about 60 percent male.

The impact of siblings on the rodents' offspring can also work the other way. Female gerbils positioned in the womb between two other females develop in an environment that is especially rich in female hormones, or estrogens, and as a result they end up bearing slightly more females and males.

Those females in turn are prone to give birth to females.

The study, appearing in the journal Nature, overturns widespread scientific assumptions that inherited traits are invariably relayed through the genes.



Scientists study effect of hormones on female gerbils.

"The most important lesson here is that just because you see a physical concordance between mothers and daughters, you can't automatically attribute it to genetic factors," said Dr. Mertice M. Clark, a psychologist at McMaster University in Ontario, Canada, the lead author of the new report.

The discovery also gives scientists a fresh insight into how sex ratios are determined in mammals. For years, researchers have been trying to breed animals that spawn either mainly daughters or mainly sons, but to no avail.

Scientists have known for some time that the hormonal environment in which a fetus develops can influence its body, brain and behavior, but the latest study offers the strongest evidence that hormonal exposure can have an impact lasting many generations.

"This is a fascinating study, and a wonderful demonstration of how naturally occurring hormones have broad effects on fetal development," said Dr. John G. Vandenbergh, a zoologist at North Carolina State University in Raleigh, who wrote a commentary accompanying the new report.

The researchers do not yet understand how hormonal influences during fetal development end up affecting the sex ratio of the gerbil's offspring when they reach adulthood. Scientists propose that an excess of androgens or estrogens

somehow influence the character of the female's eggs, changing the thickness or permeability of their membranes and making them more susceptible to penetration either by sperm bearing a Y chromosome — the hallmark of maleness — or an X chromosome.

And while the work has no immediate relevance to people, Dr. Clark and others pointed out that physicians are just beginning to wonder if, among humans, exposure in the womb to potent hormones may have an impact extending beyond a single generation.

For example, the children of mothers in the 1950s and 1960s who took diethylstilbestrol, or DES — a synthetic estrogen — while pregnant have had a host of health problems, from an increased risk of rare cancers to infertility.

As the children of DES children begin reaching reproductive age, it remains to be learned whether they may suffer any lingering effects from the medication their grandmothers had taken.

In experiments performed over the last 15 years on different species of rodents, Dr. Vandenbergh and many others have observed the startling impact of androgens on female fetuses: Male fetuses begin generating testosterone and related hormones early in development to aid in sculpturing and refining their own masculine forms, but if a female is very close to the male sex, too, may be exposed to noticeable amounts of the androgens.

Female rats squeezed between brothers and up with brains that are somewhat masculinized, particularly in the certain parts of the hypothalamus, a region known to differ between males and females of many species and now the site of a ferocious debate over the origins of homosexuality in humans.

The female rodents also end up with a more masculine style of behavior, roaming larger distances and making a greater area as their territory than do most females. However, they mate happily with males and are perfectly competent mothers.

By mapping the spread of a nontoxic chemical tracer released about 1,000 feet (300 meters) below the surface of the Atlantic Ocean, researchers from the Plymouth Marine Laboratory in England and the Woods Hole Oceanographic Institution in Massachusetts, showed that the tracer rapidly dispersed along and across the horizontal surface of the targeted density layer. But, in a confirmation of previous estimates, vertical diffusion occurred extremely slowly between density gradients, said one of the researchers, Dr. Andrew J. Watson of the Plymouth Marine Laboratory.

IN BRIEF

Prostate Blood Test Found Useful in Cancer Detection

CHICAGO (AP) — A new study of the effectiveness of a blood test for detecting prostate cancer finds it twice as effective as a physical exam at finding early malignancies.

More than 10,000 men participated in the study of a test measuring levels of prostate-specific antigen, or PSA, a protein that seeps out of the walnut-size prostate gland if a tumor is present or the gland is enlarged.

Oceans Disperse Heat

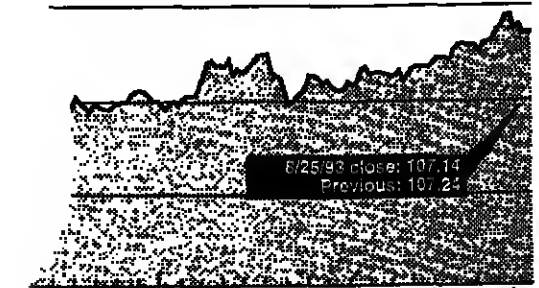
NEW YORK (NYT) — In a study that has implications for the understanding of global climate patterns, marine productivity and the spread of pollution, a team of researchers has shown that the dispersion of heat, salt and other

substances in the oceans appears to be dominated by mixing along gently sloping horizontal density layers.

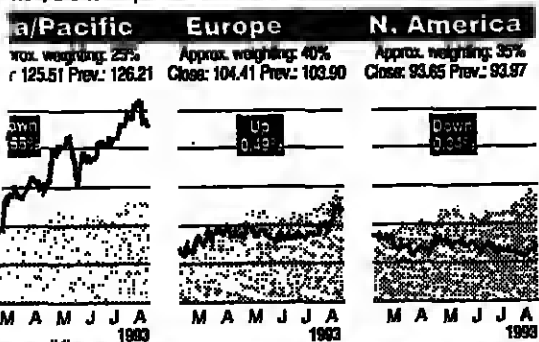
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TRIB INDEX: 107.14
The Herald Tribune World Stock Index, composed of internationally investible stocks from 20 countries, is up 0.51 points from 106.63. Bloomberg Business News, Jan. 1, 1992 = 100.



Tracks U.S. dollar values of stocks in: Tokyo, New York, and Australia, Austria, Belgium, Canada, Denmark, France, Germany, Hong Kong, Italy, Netherlands, Norway, Singapore, Spain, Sweden and Switzerland. The index of Tokyo, New York and London, the index is composed of 100 issues in terms of market capitalization. In the remaining 100, the ten top stocks are tracked.



Industry	Index	% Change
Capital Goods	102.91	+0.36
Raw Materials	106.19	+0.19
Consumer Goods	89.20	-0.61
Miscellaneous	107.86	-0.14

For more information on the International Herald Tribune World Stock Index, contact: 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

RTZ Sells Unit to Caradon

Pillar Interests Go For £800 Million

Compiled by Our Staff From Dispatches

LONDON — RTZ Corp. announced on Wednesday the long-awaited sale of its Pillar industrial unit to MB-Caradon PLC for £800 million (\$1.2 billion) in cash. MB-Caradon shares surged as analysts welcomed the deal, finishing 24 pence higher at 336. RTZ shares rose to 710 pence, from 702 on Tuesday.

MB-Caradon will partly fund the deal with a £334 million one-for-four rights issue of stock at 260 pence a share. "The rights issue should be easy," said Gavin Lauder, an analyst at Goldman Sachs, because the discount to the share price is about 80 pence.

The sale includes most of Pillar's building-products, electrical and engineering operations. But it excludes Pillar's unprofitable metals plants in Britain and Tempglass commercial-building products in the United States, which will be sold later.

Pillar's 1992 pretax profit totaled £1.3 billion, of which profit from building materials in Europe was £43.9 million. A total of £5.5 million stemmed from North American building-materials operations. Group profit was held back by restructuring and head-office costs, which totaled £25.1 million.

Employing 15,000 people, the part of Pillar bought by Caradon makes 49 percent of its sales in Britain and 43 percent in North America, with most of the remainder coming in Continental Europe.

MB-Caradon, which said it would now shorten its name to Caradon, had been seeking a sizable acquisition since selling its stake in Carnaud-Metalbox, the British-French packaging company, for £467 million earlier this year.

Its chairman, Antony Hitchens, said, "The Pillar businesses being MB-Caradon a scale and geographical representation that considerably broadens the opportunities for the group."

The purchase greatly increases the size of Caradon, which announced a pretax profit of £152.5 million in the first half of 1993, double its earnings in the previous half but including an exceptional profit of £100.3 million on the sale of Metalbox.

RTZ's chairman, Sir Derek Birkin, said, "Pillar, with a sound business, no longer fits within RTZ. Its sale is consistent with RTZ's strategy of concentrating solely on our world-class mining assets, where we have strong competitive advantage."

(Reuters, APF, Bloomberg)

Rebinding the EC's Core

Balladur and Kohl Try to Bridge Rifts

By Tom Buerkle
International Herald Tribune

BRUSSELS — As Prime Minister Edouard Balladur prepared to meet Chancellor Helmut Kohl in Berlin on Thursday, rarely has the European Community needed as much and expected as little from the French-German alliance that embodies their hopes of greater unity.

In the three weeks since France was forced to effectively float the franc, the two governments' divergent views on economic policy appear to have only hardened. That has cast doubt on the ability of Mr. Balladur and Mr. Kohl to heal the wounds left by the currency crisis and advance Europe's process of economic and political integration.

The best outcome of the talks, said one EC Commission official, would be for the two leaders to air their differences and "confirm their support for European integration and the objective of economic and monetary union."

"The Community is living very dangerously," Karel van Miert, the EC competition commissioner, said Wednesday.

If France and Germany are not able to find common ground in their policies, and fast, he said, Europe risks losing not only its hopes of greater integration in the future but also its biggest achievement to date: the single market for goods and services.

"It is hard to predict what is going to happen," he said, "but it could go either way."

By revising the freedom offered by the franc's new, wide trading bands to cut French interest rates and spur an economic recovery, Mr. Balladur has chafed instead of the remnants of the franc forte, or strong-franc, policy in an effort to keep alive hopes of a single European currency.

French officials have indicated they want to restore the narrow, existing bands of the European Monetary System's exchange-rate mechanism as soon as possible, perhaps by January.

German officials have done little to sustain French hopes. Just last week, Mr. Kohl said the

1999 deadline for a single currency set in the Maastricht treaty on European union could slip by a couple of years. He ruled out relaxation of the treaty's tough economic criteria for currency union.

Horst Köhler, who recently stepped down as head of international affairs at the German Finance Ministry, said last week it would be foolish to narrow trading bands within the exchange-rate mechanism until Germany got its inflation under control, not an immediate likelihood.

France's strong-franc policy has left Paris as dependent as ever on the Bundesbank's willingness

If France and Germany are not able to find common ground, Europe risks losing its biggest achievement to date: the single market.

Karel van Miert, EC competition commissioner

to lower its interest rates. That frustrates officials in Brussels who believe the only way to get the single currency plan back on track is through economic growth. France, by virtue of its low inflation rate, has the leeway to cut rates aggressively to spur growth, these officials say. Europe cannot rely on the German locomotive, which is strangled by high inflation and an overvalued Deutsche mark, they add.

The risk for Europe, Mr. van Miert said, is that EC countries will go their own way if France and Germany cannot breathe life into plans for currency union. In a significant sign of the pressure for

See MEETING, Page 11

France Promises Cut in Personal Taxes

Compiled by Our Staff From Dispatches

PARIS — Prime Minister Edouard Balladur promised Wednesday to cut personal income taxes, opening a new front in France's fight against record unemployment and economic recession.

Mr. Balladur said at a news conference that he planned to reduce income taxes by about 17 billion francs (\$2.9 billion) and would offer tax breaks for home buyers to stimulate consumer spending and economic growth.

The tax cuts were a potentially important new weapon for the five-month-old government, whose economic strategy has relied on lower business charges and falling interest rates to revive the recessionary economy.

Mr. Balladur said French interest rates, which have come down sharply since his center-right government took office in late March, were now the lowest in Europe outside of Switzerland.

In late July, France's strategy of aggressively reducing rates ran into a wave of speculation that forced a virtual float of currencies within the European Community's monetary grid.

Mr. Balladur said he did not want the franc to fall to its new floor against the Deutsche mark, which could happen if France trimmed rates much more quickly than Germany. The Bank of France has made several modest cuts in secondary lending rates to nudge money market rates back down to where they were before the currency crisis, but no more.

Lower interest rates and previously announced reductions in companies' costs have primarily helped the business sector.

Now Mr. Balladur, who is under pressure from members of his own conservative coalition to do more to lift the economy out of recession, has moved to put more money in consumers' pockets.

He said that by reducing the number of tax brackets, he would cut income taxes for the middle class. The government is expected to make a final decision on the amount by Friday, he said.

The government will offer tax breaks to individ-

See TAXES, Page 11

Milder inflation reported in Germany, Page 11.

uals who sell certain mutual funds to buy a home. It will waive a penalty on low-income earners who take their money out of special accounts before the customary eight-year wait.

The prime minister also announced the creation of a special commission to study the tax burden on households.

Mr. Balladur said the measures did not break with his government's strategy of reining in the public-sector deficit because they would be financed by the anticipated sale of the state's stake in nationalized companies.

"I see nothing that requires a change in policies," he said at the news conference, called to kick off his government's program for the autumn.

He said that the European currency crisis would feature prominently in his talks on Thursday in Bonn with Chancellor Helmut Kohl.

Mr. Kohl suggested recently that deadlines for

See TAXES, Page 11

Strong Yen Tips Toyota Toward Its First Loss

By Andrew Pollack
New York Times Service

TOKYO — Toyota Motor Corp., the strongest of Japan's automakers, might suffer its first operating loss ever this year if the Japanese yen stays at its current high level, officials said Wednesday.

"That means we are faced with the most serious potential crisis in our company history," Ryuji Araki, general manager of Toyota's financial division, told reporters.

The grim prognosis was made as Toyota announced results for its last financial year, which ended June 30. Sales were flat while net income fell 25.8 percent, the third consecutive yearly decline.

The company, founded in 1937, made it clear that a fourth consecutive decline is on the way. While the company is forecasting a thin parent-company operating profit in the year that began in July, the projection is based on an exchange rate of 110 yen to the dollar. If the yen stays closer to 100 to the dollar, officials said, the profit could disappear. The yen closed at 103.70 to the dollar in Tokyo on Wednesday.

Analysts are not seriously worried about Toyota. The company has huge financial reserves that could tide it over a temporary loss. It is regarded as perhaps the most efficient, tenacious and resourceful of Japan's auto companies. Toyota also controls two-fifths of Japan's domestic passenger-car market and is in a position to gain share from its Japanese rivals, particularly Nissan Motor Co. and Mazda Motor Corp., which are in much more serious straits than it is.

But the travails of the company that created the "lean production" system that is widely emulated, is a sign of the trouble spreading through Japan's auto industry.

"If things are this bad for Toyota, they must be much worse for the other companies," said Benjamin Moyer, auto analyst for Merrill Lynch in Tokyo.

The rise of the yen, which makes cars produced in Japan more expensive and therefore less competitive on world markets, is only the latest problem. The Japanese economy is in a stubborn slump, and Europe's car market, where Japan's market share is restricted by a voluntary agreement, is contracting rapidly. In the United States, Japanese companies have lost market share in the last year because the yen's appreciation has forced them to increase prices and because the Big Three are improving in quality and competitiveness.

On a consolidated basis, Toyota reported net income of 176.5 billion yen, or \$1.65 billion based on the June 30 conversion rate of 107 yen to the dollar. That is down from 237.8 billion yen the year before.

Operating income fell 16.8 percent to 181.9 billion yen. Net sales rose 0.5 percent to 10.21 trillion yen from 10.16 trillion yen.

The company's sales of motor vehicles worldwide dropped 1 percent to 4.46 million units. In Japan, the company's biggest market, sales fell 7.4 percent to 2.16 million units. The company's exports rose 1.6 percent to 1.72 million units, with growing shipments to Southeast Asia and Latin America offsetting drops in exports to North America and Europe.

Toyota provided forecasts for the year that began in July for only its parent company. According to those projections, production of vehicles in Japan, net sales and net income are all expected to drop.

Each fall of one yen in the dollar's value costs Toyota about 10 billion yen, or about \$100 million, in lost income. The company is projecting an operating profit of only 70 billion yen for the new financial year and only 10 billion yen for the first half.

But that is at an exchange rate of 110 yen to the dollar. By those calculations, if the dollar falls below 103 yen, the profit would be wiped out.

"We intend to pursue every opportunity in that regard to avoid a loss," Mr. Araki said.

See MAZDA, Page 11.

Reflecting the soaring yen and hard times for Japan's automakers, Mazda Motor Corp. has dismissed its top American executive and said it would reduce its headquarters staff in California by about 35 percent, Doron P. Levin of The New York Times reported from Detroit.

Clark J. Vitulli, who left Chrysler Corp. in 1989 to run Mazda's U.S. sales operations, was let go on Tuesday along with four other top executives. Mr. Vitulli's title, executive vice president of operations, was eliminated, Mazda said.

Executives reporting to Mr. Vitulli will now report to Sonny Songoguchi, president of Mazda's sales subsidiary, the automaker said.

[Mr. Vitulli told The Associated Press he thought his firing indicated that Mazda was seeking firmer Japanese control of its U.S. subsidiary.]

Mazda reorganized its American staff only six months ago, demoting Mr. Vitulli to executive vice president from chief operating officer. Mazda's corporate staff of about 500 will be reduced by 175.

Other Japanese automakers have cut back in the United States. In February, Nissan Motor Co. dismissed Thomas D. Mignanello, a former Ford Motor Co. executive who ran Nissan's U.S. sales organization.

Earlier this month, Fuji Heavy Industries cut employment at the headquarters of Subaru of America.

4 Big Electronics Firms Set Video CD Standard

Compiled by Our Staff From Dispatches

TOKYO — Compact-disk videos got a boost Wednesday when four leading electronics companies agreed on a format that will use standard-sized CDs and can be played on the current generation of audio players after they are fitted with adapters.

The format, called Video CD, will be used for movies, karaoke, music videos and educational material, the companies said. A CD of the same size as the standard audio disk can play 74 minutes of video.

The companies — Matsushita Electric Industrial Co., Philips Electronics NV, Sony Corp. and Victor Co. of Japan — said Video CDs can be played on current

CD players with digital outputs with an add-on adaptor.

Sony and Matsushita have access to huge movie libraries and are likely to begin releasing them in the new format. Sony owns Columbia and Tri-Star Pictures, while Matsushita owns MCA Inc.

The format is capable of 300 lines of horizontal resolution, making the quality comparable to that of a standard videocassette recorder, said Andrew House, a Sony spokesman.

The format also can store photographs and is compatible with CD-I players developed by Philips, the Karaoke CD format used by Philips and JVC.

(AP, Reuters, Bloomberg)

Allied Plans A Venture With Sextant

LONDON — Europe's largest avionics manufacturer, Sextant Avionique, said Wednesday it would link up with Allied-Signal Inc. of the United States to form a venture that would be one of the world's biggest aerospace electronics companies.

For Sextant, a supplier to Airbus Industrie, the deal could provide access to the U.S. market. The venture will also help Allied-Signal reach Airbus and get into broader avionics segments.

Thomas CSF and Aerospace, which now own 52.42 percent of Sextant, plan to buy back all the shares on the market for 300 francs (\$51) each.

Saudi Envoy Criticizes Report

LONDON — Saudi Arabia on Wednesday condemned New York Times reports describing massive financial mismanagement and decline in the country's economic position.

A statement from the Saudi ambassador to Britain, Ghazi Alqasbi, said, "The reports I read in the press are full of inaccuracies, and they do not represent a true picture of the Saudi economy."

Mr. Alqasbi, the highest-ranking Saudi official to reply directly to the reports, offered a list of 10 economic indicators, including oil-sector growth, gross domestic output and banking activity, which he said the stories neglected.

In two articles published this week, which were carried in the International Herald Tribune, The New York Times said Saudi Arabia had run down its financial reserves because of years of unrestrained spending, huge military purchases and irregular banking practices.

"The spending has far outstripped the tens of billions of dollars earned annually from the largest oil fields in the world, which the government owns," it said.

The reports also said Saudi Arabia ran its reserves down over the past decade to less than \$51 billion at the end of 1992 from \$121 billion. The newspaper said a secret 1992 report by the International Monetary Fund expressed concern at persistent budget deficits in the kingdom and a reluctance to cut expensive social programs and aid to neighboring countries.

Mr. Alqasbi's statement did not directly address the question of reserves or alleged mismanagement in the banking system, including loans to members of the ruling family. But he presented a series of alternative economic statistics.

"All of these indicators should be taken into account when discussing government borrowing, which has at no point exceeded the ratio recommended by the European Community," he said.

The Saudi indicators Mr. Alqasbi pointed to were:

- 1992 gross domestic product of \$110.2 billion, or 26.5 percent of total Arab G.D.P., making Saudi Arabia the largest Arab economy.
- 1992 oil-sector growth of 4.9 percent, and non-oil growth of 5 percent.
- A "marked drop" in the cost of living, to a negative 4 percent in 1992.

- Saudi Arabia's position as the largest Arab exporter.
- The 3.55 percent Saudi share-holding in the IMF.
- Commercial-bank assets in Saudi Arabia rose to \$82.1 billion in June 1993 from \$61.9 billion in December 1990.
- Commercial-bank deposits were up 33 percent, to \$51.2 billion, over that period.
- Commercial-bank lending to the private sector was up 54 percent to \$26.9 billion, also since December 1990.
- Government funds loaned to the private sector reached \$2.4 billion "during the last year."
- Public subscriptions to shares in the private sector involved liquidity of \$2.9 billion during the last year.

CURRENCY & INTEREST RATES

Gross Rates									
	\$	DM	FF	Yen	DM	FF	Yen	DM	FF
American	1.00	1.63	1.78	1.00	1.00	1.00	1.00	1.00	1.00
British	0.75	1.36	1.49	0.75	0.75	0.75	0.75	0.75	0.75
French	0.16	0.27	0.27	0.16	0.16	0.16	0.16	0.16	0.16
German	0.63	1.00	1.00	0.63	0.63	0.63	0.63	0.63	0.63
Italian	0.19	0.34	0.34	0.19	0.19	0.19	0.19	0.19	0.19
Japanese	0.009	0.16	0.16	0.009	0.009	0.009	0.009	0.009	0.009
Swiss	0.75	1.36	1.49	0.75	0.75	0.75	0.75	0.75	0.75
U.S. dollar	1.00	1.63	1.78	1.00	1.00	1.00	1.00	1.00	1.00

Eurocurrency Deposits									
	Dollar	D-Mark	Swiss	Shilling	French	Yen	ECU		
1 month	3 1/2 %	4 1/4 %	4 1/4 %	4 1/4 %	4 1/4 %	4 1/4 %	4 1/4 %		
3 months	3 3/4 %	4 3/4 %	4 3/4 %	4 3/4 %	4 3/4 %	4 3/4 %	4 3/4 %		
6 months	3 3/4 %	4 3/4 %	4 3/4 %	4 3/4 %	4 3/4 %	4 3/4 %	4 3/4 %		
1 year	3 3/4 %	4 3/4 %	4 3/4 %	4 3/4 %	4 3/4 %	4 3/4 %	4 3/4 %		

Key Money Rates										
	Close	Prev.	Close	Prev.	Close	Prev.	Close	Prev.	Close	Prev.
Discount rate	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Prime rate	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Federal funds	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
3-month CD	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
6-month CD	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
9-month CD	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
1-year CD	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
1-year Treasury bill	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
1-year Treasury note	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
2-year Treasury note	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
3-year Treasury note	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
5-year Treasury note	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
10-year Treasury note	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
30-year Treasury bond	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
10-year Treasury bond	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
10-year Treasury bond	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

AMSTERDAM DEPOSITORY COMPANY N.V. Amsterdam, August 23, 1993.

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سكزانت الاصل

MARKET DIARY

Weak Interest Rates Boost Stock Prices

NEW YORK — Record-low interest rates on bonds translated into record-high prices for most Wall Street stocks on Wednesday.

N.Y. Stocks

while rising issues on the New York Stock Exchange outnumbered decliners by an 8-to-7 ratio. Computer-related issues fell however, in part because of a brewing software price war, and that helped push the Nasdaq over-the-counter index down 1.47 points, to 733.66.

Ralph Bloch, senior vice president at Raymond James & Associates in St. Petersburg, Florida, said stocks were marching "to the beat of low interest rates."

Germans Center-Stage As Dollar Builds Gains

NEW YORK — The dollar remained broadly higher on Wednesday on speculation that the Bundesbank would lower German interest rates on Thursday.

Foreign Exchange

sche marks, up from 1.6792 DM on Tuesday, as new statistics pointed toward milder German inflation and buoyed expectations that the Bundesbank may feel able to cut rates.

Pressure has continued to build throughout Europe for such German action and the Thursday meeting will be the first following the Bundesbank's four-week holiday.

The dollar also firmed to 105 yen, up from 103.62 yen on Tuesday, even though it was widely believed, but not confirmed, that the Bank of Japan had again intervened on Wednesday as an aggressive buyer of dollars.

Dealers were skeptical that the Japanese authorities could long fight the dollar's upward trend alone. "Mostly it's the BOJ against

which were sold at an average yield of 4.87 percent. That was as expected, but there were only 2.6 bids per bond sold, a low response.

British Petroleum was the most-active New York Stock Exchange issue, rising 1/4 to 57 1/4.

"Oils are one of the few areas with dividend yields, and they're perceived as safe," said Grace Messner, a portfolio manager at Wilmington Trust. "Even with oil prices coming down, their earnings are up this year. Texaco, which got a favorable report from Goldman, Sachs, rose 3/4 to 64 1/2. Exxon was up 1/4 to 65 1/2, and Mobil added 1 to 77 1/2."

Philip Morris was No. 2 on the active list, falling 2 1/4 to 49 after it disappointed investors by failing to raise its dividend.

Bell Atlantic, which won a U.S. court case that will let phone companies provide cable television to their customers, rose 1 to 60 1/4.

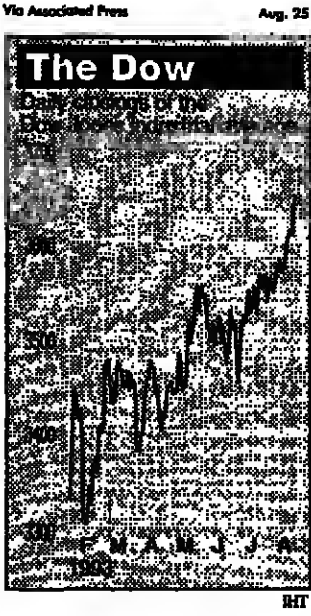
Delta Air Lines jumped 2 1/2 to 55 1/4 after First Boston recommended it. The airline sector gained, and the Dow Jones transportation index jumped 14.96, to 1,664.67.

Borland International fell 2 to 18 1/4 in over-the-counter trading. It is the price of new spreadsheet programs as much as 84 percent, raising fears of a software price war. Microsoft fell 1 1/4 to 74 1/4.

Expectations of lower German rates reversed pressure early in the day on the dollar in the wake of a sharp drop in U.S. durable-goods orders. Dealers noted that this indicator is volatile, however, and its effect on the market was short-lived.

Some dealers believed that a small cut by the Bundesbank was unlikely to move the market much. "Unless the Bundesbank doesn't cut rates at all or cuts rates more than 50 basis points, I have a hard time seeing it going to have much of an impact," said Mr. Koss, noting that the dollar and mark have stayed in a fairly narrow range all summer.

The dollar also finished at 1.4815 Swiss francs, up from 1.4752 francs on Tuesday, and at 5.8493 French francs, up from 5.8445 francs. The pound declined to 1.4815, from 1.4987.



NYSE Most Active

Table listing NYSE Most Active stocks including Bell Atlantic, Delta Air Lines, and Philip Morris.

AMEX Most Active

Table listing AMEX Most Active stocks including American Express, American International, and American National.

NYSE Diary

Table showing NYSE trading volume and price changes for various sectors.

NASDAQ Diary

Table showing NASDAQ trading volume and price changes for various sectors.

Dow Jones Averages table with columns for Open, High, Low, and Close.

Standard & Poor's Index table with columns for High, Low, Close, and Change.

NYSE Indexes table with columns for High, Low, Close, and Change.

NASDAQ Indexes table with columns for High, Low, Close, and Change.

AMEX Stock Index table with columns for High, Low, Close, and Change.

Dow Jones Bond Averages table with columns for 30 Year, 10 Year, and 5 Year.

Market Sales table with columns for NYSE, AMEX, and NASDAQ.

N.Y.S.E. Odd-Lot Trading table with columns for Buy and Sell.

Spot Commodities table with columns for Commodity, Today, and Prev.

Dividends table with columns for Company, Per Amt, and Prev.

Stock Prices Shine in Europe table with columns for Stock, Price, and Change.

EUROPEAN FUTURES table with columns for High, Low, Close, and Change.

Food table with columns for High, Low, Close, and Change.

Metals table with columns for High, Low, Close, and Change.

Financial table with columns for High, Low, Close, and Change.

Stock Indexes table with columns for High, Low, Close, and Change.

To Our Readers table with columns for S & P 100 index option prices.

VW Got Papers 'by Accident' article text.

U.S. FUTURES table with columns for High, Low, Close, and Change.

Grains table with columns for High, Low, Close, and Change.

Metals table with columns for High, Low, Close, and Change.

Livestock table with columns for High, Low, Close, and Change.

Financial table with columns for High, Low, Close, and Change.

Food table with columns for High, Low, Close, and Change.

U.S./AT THE CLOSE

Home Sales Climbed 5.4% in July

WASHINGTON (Combined Dispatches) — Sales of previously owned homes jumped 5.4 percent in July to the highest level in more than two decades, a real estate trade group reported Wednesday.

Philip Morris Sinks on Flat Pay

NEW YORK (AP) — Philip Morris Cos. said Wednesday its dividend steady this quarter, saying the volatility of cigarette business made that the "most prudent course of action."

Ford Makes Contract Offer to UAW

DEARBORN, Michigan (Reuters) — Ford Motor contract proposal to the United Auto Workers union; pact longer than three years and offers a "good case chosen as the union's strike target. UAW vice president said Wednesday.

Bell Atlantic Wins Key Cable Cas

WASHINGTON (Reuters) — In a potentially far-reaching federal judge has declared unconstitutional a part of the 1984 law that barred Bell Atlantic Corp. subsidiaries from providing service in the same areas where it provides telephone service.

MGM Names Chief at United Artists

HOLLYWOOD (NYT) — In a move to accelerate movie production troubled Metro-Goldwyn-Mayer Inc., John Calley, a former Brothers executive, has been named president of United Artists a revived MGM division.

For The Record

Toys 'R' Us is planning to open Books 'R' Us departments in at stores by October. Reader's Digest Association Inc. said its fourth-quarter net dipped to \$25.7 million, from \$26.2 million a year earlier.

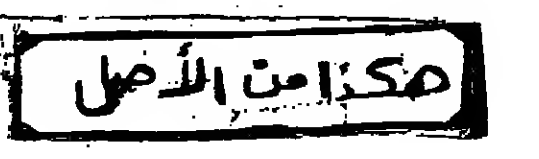
WORLD STOCK MARKETS

Large table showing world stock market data for various cities including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Montreal, Paris, Sao Paulo, Singapore, Stockholm, Tokyo, Zurich, and others.

Table showing stock market data for Toronto, Sydney, and other regional markets.

Table showing U.S. futures data for various commodities like corn, soybeans, wheat, and metals.

Table showing U.S. futures data for various commodities like cotton, sugar, and stock indexes.



NYSE

Wednesday's Closing
Table includes the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Price	Change
IBM	100.00	+0.25
MSFT	45.00	+0.50
ORCL	25.00	+0.10
GE	20.00	+0.15
GM	15.00	+0.20
AMZN	12.00	+0.10
GOOG	10.00	+0.15
DIS	8.00	+0.05
INTL	7.00	+0.10
WMT	6.00	+0.05
PG	5.00	+0.05
KO	4.00	+0.05
CVX	3.00	+0.05
BP	2.00	+0.05
ARCO	1.50	+0.05
AMT	1.00	+0.05
SPX	1000.00	+10.00

Symbol	Price	Change
AA	15.00	+0.10
AAE	15.00	+0.10
AAI	15.00	+0.10
AAJ	15.00	+0.10
AAK	15.00	+0.10
ACL	15.00	+0.10
ACM	15.00	+0.10
ACN	15.00	+0.10
ACR	15.00	+0.10
ACT	15.00	+0.10
ACU	15.00	+0.10
ACV	15.00	+0.10
ACW	15.00	+0.10
ACX	15.00	+0.10
ACY	15.00	+0.10
ACZ	15.00	+0.10
AD	15.00	+0.10
ADP	15.00	+0.10
ADQ	15.00	+0.10
ADR	15.00	+0.10
ADT	15.00	+0.10
ADU	15.00	+0.10
ADV	15.00	+0.10
ADW	15.00	+0.10
ADX	15.00	+0.10
ADY	15.00	+0.10
ADZ	15.00	+0.10
ADAA	15.00	+0.10
ADAB	15.00	+0.10
ADAC	15.00	+0.10
ADAD	15.00	+0.10
ADAE	15.00	+0.10
ADAF	15.00	+0.10
ADAG	15.00	+0.10
ADAH	15.00	+0.10
ADAI	15.00	+0.10
ADAJ	15.00	+0.10
ADAK	15.00	+0.10
ADAL	15.00	+0.10
ADAM	15.00	+0.10
ADAN	15.00	+0.10
ADAO	15.00	+0.10
ADAP	15.00	+0.10
ADAQ	15.00	+0.10
ADAR	15.00	+0.10
ADAS	15.00	+0.10
ADAT	15.00	+0.10
ADAU	15.00	+0.10
ADAV	15.00	+0.10
ADAW	15.00	+0.10
ADAX	15.00	+0.10
ADAY	15.00	+0.10
ADAZ	15.00	+0.10
ADBA	15.00	+0.10
ADBB	15.00	+0.10
ADBC	15.00	+0.10
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ADBO	15.00	+0.10
ADBP	15.00	+0.10
ADBQ	15.00	+0.10
ADBR	15.00	+0.10
ADBS	15.00	+0.10
ADBT	15.00	+0.10
ADBU	15.00	+0.10
ADBV	15.00	+0.10
ADBW	15.00	+0.10
ADBX	15.00	+0.10
ADBY	15.00	+0.10
ADBZ	15.00	+0.10
ADCA	15.00	+0.10
ADCB	15.00	+0.10
ADCC	15.00	+0.10
ADCD	15.00	+0.10
ADCE	15.00	+0.10
ADCF	15.00	+0.10
ADCG	15.00	+0.10
ADCH	15.00	+0.10
ADCI	15.00	+0.10
ADCJ	15.00	+0.10
ADCK	15.00	+0.10
ADCL	15.00	+0.10
ADCM	15.00	+0.10
ADCN	15.00	+0.10
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ADCX	15.00	+0.10
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ADDW	15.00	+0.10
ADDX	15.00	+0.10
ADDY	15.00	+0.10
ADDZ	15.00	+0.10

Symbol	Price	Change
ADAA	15.00	+0.10
ADAB	15.00	+0.10
ADAC	15.00	+0.10
ADAD	15.00	+0.10
ADAE	15.00	+0.10
ADAF	15.00	+0.10
ADAG	15.00	+0.10
ADAH	15.00	+0.10
ADAI	15.00	+0.10
ADAJ	15.00	+0.10
ADAK	15.00	+0.10
ADAL	15.00	+0.10
ADAM	15.00	+0.10
ADAN	15.00	+0.10
ADAO	15.00	+0.10
ADAP	15.00	+0.10
ADAQ	15.00	+0.10
ADAR	15.00	+0.10
ADAS	15.00	+0.10
ADAT	15.00	+0.10
ADAU	15.00	+0.10
ADAV	15.00	+0.10
ADAW	15.00	+0.10
ADAX	15.00	+0.10
ADAY	15.00	+0.10
ADAZ	15.00	+0.10
ADBA	15.00	+0.10
ADBB	15.00	+0.10
ADBC	15.00	+0.10
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ADDY	15.00	+0.10
ADDZ	15.00	+0.10

Symbol	Price	Change
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ADDB	15.00	+0.10
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ADDR	15.00	+0.10
ADDS	15.00	+0.10
ADDT	15.00	+0.10
ADDU	15.00	+0.10
ADDV	15.00	+0.10
ADDW	15.00	+0.10
ADDX	15.00	+0.10
ADDY	15.00	+0.10
ADDZ	15.00	+0.10

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Symbol	Price	Change
ADDA	15.00	+0.10
ADDB	15.00	+0.10
ADDC	15.00	+0.10
ADDD	15.00	+0.10
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ADDG	15.00	+0.10
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ADDI	15.00	+0.10
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ADDK	15.00	+0.10
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ADDZ	15.00	+0.10

Symbol	Price	Change
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ADDI	15.00	+0.10
ADDJ	15.00	+0.10
ADDK	15.00	+0.10
ADDL	15.00	+0.10
ADDM	15.00	+0.10
ADDN	15.00	+0.10
ADDO	15.00	+0.10
ADDP	15.00	+0.10
ADDQ	15.	

هكذا من الأصل

NYSE

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table of NYSE stock prices including columns for stock symbols, company names, and prices.

Table of international stock prices, including symbols and prices for various foreign markets.

Table of international stock prices, continuing from the previous table.

Table of international stock prices, continuing from the previous table.

Table of international stock prices, continuing from the previous table.

Table of international stock prices, continuing from the previous table.

JOBS: German
Continued from Page 1
...and that...

AMEX
Wednesday's Closing
...on the New York Stock Exchange...

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It's never been easier to subscribe
and save. Just call us toll free at
0130 84 85 85
or Fax
0697 69 48 94

INTERNATIONAL FUNDS

Aug. 25, 1993

Large table of international fund listings with columns for fund names, descriptions, and prices. Includes sections for International Income Fund, International Equity Fund, and International Bond Fund.

Vertical text on the right edge of the page, possibly containing additional fund information or advertisements.

JOBS: German Automotive Industry Planning to Slash 100,000 Workers

Continued from Page 1

"Last year, wages in the German automotive industry were two-thirds higher than at the French competition, which is roughly as efficient," Mrs. Emmerich noted.

"As the process of change picks up speed, it is also drawing increasingly fierce resistance. For example, Mercedes-Benz's chief labor representative, Karl Festerstein, told a local news service Wednesday: "The company can expect major resistance if it tries to carry out its plans."

In international terms, German industry and organized labor have long enjoyed an enviable degree of cooperation. As the going gets tough, however, companies are increasingly blaming union wage demands and attempts to block change for employers' hard-line response.

"IG Metall proposed we organize automotive sector investments on an international basis to cushion change," Mr. Herzog said. "We can't even do that in the European Community, let alone in the whole world."

IG Metall is Germany's biggest labor union, including workers from the automotive and other metalworking industries. The union has scheduled a press conference Friday to present its own proposals for resolving the crisis, which threatens the union's existence as members lose their jobs and stop paying dues.

Though radical change is arguably unavoidable to restore German automakers' competitiveness, economists increasingly say it is a danger to the country's social and economic stability.

"Strikes would only make the situation worse," a London analyst said.

But even without strikes, he added, "there's nothing on the horizon that could employ the large numbers of workers coming out of the car factories at the same wages."

He said, "You're left with widespread dissatisfaction and a tremendous structural unemployment, which has to be financed through the social security system."

Germany's high labor costs were once justified by relatively high productivity, but have increasingly become a competitive liability in both European and global terms. While shedding capacity at home, German automakers are expanding abroad, especially in areas where labor is cheaper.

NASDAQ

Wednesday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP consists of the 1,000 most traded securities in terms of dollar volume. It is updated twice a year.

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

AMEX

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

High	Low	Open	Close	Change
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00
100.00	99.00	99.50	99.50	+0.00

SPORTS FOOTBALL

Another Season, Another Burden for Florida State

By Malcolm Moran
New York Times Service

TALLAHASSEE, Florida — The house that Bobby Bowden rebuilt is a work in progress.

Giant brick facades and majestic archways have begun to obscure the Erector Set architecture of Doak Campbell Stadium, making the home of the Florida State Seminoles suddenly appear stately enough that Red Grange could have played there in the days when the school was a college for women and the business of high-stakes football was conducted elsewhere.

As the cranes work and Florida State prepares for the Kickoff Classic against Kansas on Saturday afternoon at Giants Stadium outside New York City, the game that will open the 1993 college football season, the success of Bowden's 17-season tenure has created another illusion: That the Seminoles have always been this way, living with the expectation of winning the school's first unofficial, but desperately sought, national championship.

Those pollsters are at it again, having picked Florida State No. 1. "You'd think they'd finally wise

up," said Bowden. Then he laughed. Twice before, the Seminoles have been placed in a similar position. And twice their seasons have brought disappointment.

If Bowden, his players and staff have in fact learned something from the heartbreak of the past; if the offense can cope with the loss of its leading rusher and if dynamic quarterback Charlie Ward can continue to flourish in a more-imaginative scheme; if the defense can overcome the knee injuries to two leading defensive backs; if the powerful leg of freshman kicker Scott Bentley can overcome the curse of "Wide Right Against Miami," if the Seminoles can withstand the limited challenge of the Atlantic Coast Conference and survive November trips to Notre Dame and Florida; if they can continue their record-setting bowl-game success and if they can leave the ifs at the start of the season, rather than carrying them to the bitter end, the rest should be easy.

We're No. 1.
In August.
Big deal.

"We know now it means absolutely nothing," Bowden said. The flimsy distinction of a top preseason ranking has been bestowed here twice in the past five seasons. In 1988, a group led by Deion Sanders embraced the honor by creating a music video called "The Seminole Rap" that was a hit until a 31-0 opening-night loss in Miami. Two seasons ago, a more-

talented group — maybe the best Bowden will ever have — allowed the pressure of expectation to build until it became unbearable, and led to losses to Miami and Florida. "I felt pressure," recalled Clifton Abraham, a junior cornerback, "and I was just a redshirt freshman. Everybody was uptight. This year, for some reason, we're more relaxed. We're playing like we're No. 20 and we're not expecting to win. That's how calm we are."

The words reflect the peacefulness of an empty August campus. But their practice T-shirts display reminders of the cruel reality of New Year's Day: "ONE THING LEFT," they read. And just beneath those words

called, "until I can get back to Auburn. Or get back maybe to Alabama one of these years. Or maybe over to Baton Rouge and LSU. Or maybe to Georgia."

He did not build the house. He added to a big-time foundation built by Tom Nugent in the 1950s and enlarged by Bill Peterson in the 60s, with coaching staffs that included Bowden, Don James, Dan Henning, Joe Gibbs, and Bill Parcells. Bowden would occupy this house, let it appreciate, turn it over and move on.

But something happened. His second team, in 1977, won 10 games. His fourth team, in 1979, was undefeated until an Orange Bowl loss to Oklahoma. Bowden came to realize that the population base and resources would allow him to accomplish just as much here as he could anywhere else, and leave a personal stamp behind. This was his place.

"I feel like I was meant to be at Florida State," Bowden said. "That's what my beliefs are. I'm a religious man. I believe there are some places you're just supposed to be in life."

His Florida State record of 154-45-3 is 82 victories beyond Peterson's 11-season total. Bowden's total of 227 victories is second among active coaches to Penn State's Joe Paterno.

The Seminoles have won 64 of their last 73 games. The polls of news media and coaches have each voted six consecutive final top-four finishes.

And yet Bowden has been cast as college football's tragic figure. Two consecutive defeats to Miami have ended with kicks that went wide right; one for a victory and one for a tie. The morning after the 1-point defeat in 1991, Bowden smiled and said he knew the words for his tombstone: "He played Miami."

Maybe that will change with the arrival of Bentley, the kicker who chose Florida State over Notre Dame after making seven field goals of 50 yards or longer last year, including kicks of 57 and 58 yards. Or the continued emergence of Ward, who completed 56 percent of his passes for 2,647 yards last year, ran for 504 more, and had a say in adjustments made to create a more-imaginative offense.

"I think the coaching staff has learned from previous years," Ward said. "We have a better scheme, and that's part of the growth process that we've gone through."

Far removed from autumn and disappointment, Bowden sees an edge.

"Every year when I approach my boys," he said, "I don't have to say, 'Boys, there's a goal out there but it has already been accomplished. Let's try to do it again.'"

"There's still a space on our shelf for a plaque that says, 'The only undefeated team in Florida State history.' We've still got that space."

More potentially damaging than the season-ending injuries to walk-back Tiger McMillon and safety Steve Gilmer and the uncertain future of cornerback Corey Fuller — all lost to knee problems in the first week of practice — is the acceptance of the possibility that this is as good as the Seminoles will ever become.

"You can't be satisfied with pretty good," said senior linebacker Ken Alexander. "Once you get satisfied with pretty good, complacency starts setting in, and when you become a complacent team, that's when you start dropping out of the race. That's what happened to the Penn States, what happened to the Notre Dames."

Two seasons ago, when the Hurricanes came into Tallahassee and came from behind to defeat Bowden's best team, critics maintained that the coach's gambling instinct, his signature, had been lost in the heat of a tense, critical game.

"We were playing not to lose, instead of going for the win at all costs," Alexander said.

"Was that a strategic problem?" he was asked.

"That's just strategy," he said. "That's plain strategy. When you start playing not to lose, that's when you start losing ball games."

"Can that change?"

"It's got to change," Alexander said. "It's my last year. If I can put anything into anybody on the team, it's going to be to always put everything they've got into a play."

The house that Bobby Bowden rebuilt has a fancy new brick facade, a Bentley in the driveway, and the seeds of desperation sown on its lawn.

The pollsters have again picked Florida State, which opens the college season Saturday, as No. 1 in the country. "You'd think they'd finally wise up," said the Seminoles' coach, Bobby Bowden.

appears the Seminole secret: —

The Seminoles, confident, loose and undefeated in the summer heat are not telling.

Bowden's original plan did not include a long stay here. He could escape from West Virginia, "and coach at Florida State," he re-

Marseille Evidence Reportedly Flawed

The Associated Press

PARIS — A leaked deposition shows that the coach, who claims that Olympique Marseille's president, Bernard Tapie, tried to bribe him had a poor memory of the encounter, and the deposition likely will not stand up in court, it was reported Wednesday.

The weekly *Le Canard Enchaîné* reported that investigators improperly took the deposition from Boro Primorac, the former coach of Valenciennes. The investigative and satirical journal said that Judge Bernard Boffy, who is leading the investigation into the case; Prosecutor Eric de Montgolfier and Primorac had signed the deposition, but that it can serve neither as a legal complaint nor as admissible evidence because it lacks a clerk's countersignature.

The deposition shows that Primorac, asked to describe Tapie's office, said nothing about obvious objects like a model of the politician-tycoon's yacht, a golden trophy or a huge painting.

"I can tell you, nobody comes into my office and doesn't remember what it looks like," Tapie said Wednesday. "His claims aren't worth a package of peanuts."

Primorac says Tapie met him June 17 to confirm an intermediary's offer of money and a job if he agreed to take the blame for Marseille's alleged bribe offer to three Valenciennes players to throw a match.

At Manchester United, Loyalty Can Be Costly

Reuters

LONDON — The English champion, Manchester United, was accused Thursday of cashing in on the loyalty of its young fans who buy replica match clothing by frequently changing the team colors.

A report on replica "kits" or "stripes" in the Consumer Association's youth magazine, "Check it out," said the northern club had introduced four new outfits in just over a year.

United also appeared near the top of the league price list for the replica uniforms, which many supporters wear to demonstrate their allegiance. Few young fans want to be seen wearing last season's outmoded kit.

"Most clubs change either their home or away kit every season. Manchester United has had four changes over the last 12 months or so," said the magazine's editor, Sue Harvey. "That seems particularly excessive."

"The clubs are using the loyalty of their supporters to charge big prices. Young fans feel under pressure to support their teams, which can put major financial pressure on their parents," she added.

Manchester United, which won the league title last season for the first time since 1967, last year introduced a new red and white home kit, a new blue away strip and a third yellow and green uniform.

This season, it is sporting another, all black, away strip which costs £47 (\$70.23) for fans to buy.

United's commercial manager, Danny McGregor, defended the new designs and said the club was catering to a demand.

"We don't force anybody to buy the kits but it's about fashion, it's about leisurewear," he said. "How long the fashion will last we can't tell."

Italy, Russia Win the Team Cycling Trials

Compiled by Our Staff From Dispatches

OSLO — Italy avenged its second-place finish in Barcelona last summer by beating defending world and Olympic champion Germany and winning the 100-kilometer men's team trial Wednesday at the World Cycling Championships.

Russian easily won the women's 50K team trial, finishing three minutes ahead of the defending champion U.S. team, which for most of the race had three riders.

The Italian men's team of Rosario Fina, Gianfranco Contri, Rosario Fina and Cristian Salvato finished in 2 hours, 18 seconds.

The German team of Christian Meyer, Uwe Peschel, Michael Rich and Andreas Walzer was timed in 2:01:40.7, while the Swiss foursome of Roman Jeker, Beat Meister, Markus Kennel and Roland Meier clocked 2:02:47.1.

Russia's Olga Sokolova, Svetlana Bubenkova, Alexandra Kolisova and Valentina Poljanova led the whole way in the 50K and finished in 1 hour, 6 minutes, 31.6 seconds.

The Americans, with Jan Boland dropping out 15 kilometers into the race, finished in 1:09:32.2.



Gianfranco Contri, left, and Rosario Fina lead the Italian charge to the finish that beat Germany in the men's 100-kilometer team trial.

SIDELINES

2 Ukrainian Olympic Winners Banned

KIEV (Reuters) — Olympic gold medalist Tatiana Dorovskikh and Lyudmila Dzhigalova were banned Wednesday for four years by the Ukrainian Athletic Federation for using anabolic steroids.

Dorovskikh, 32, a Tatiana Samolenko won the 3,000 meters in the Soviet, and Dzhigalova, 31, was a gold medalist in the 4 x 400-meter relay in Barcelona. The federation's president, Yuri Tamssov, said Dzhigalova's sample showed two different types of steroids.

For the Record

The major league owners' representatives and those of the players were to meet Thursday to discuss differing proposals for expanded playoffs, but Eugene Orza, the players' associate general counsel said "I would characterize the meeting as preliminary in scope."

The Grand National fuses last year can be prevented from recurring by a new starting gate, two flagmen and a "stop man" in a car instead of electronic devices, a working group from the British racing industry recommended.

Raymond Russell of Scotland shot 4-under-par 67 for the first-round lead at the 93d U.S. Amateur Golf Championship in Houston.

Christian Okoye, the 260-pound Nigerian who led the NFL in rushing four years ago and is the Kansas City Chiefs' career leader, was put on injured reserve with a knee injury. He will miss the entire season and probably won't fit in with the team's new offense, the Chiefs said. (AP)

Denmark Routs Lithuania, Moves Up in World Cup Qualifying

Compiled by Our Staff From Dispatches

COPENHAGEN — Team captain Lars Olsen, forwards Frank Pingel and Brian Laudrup and midfielder Kim Vilfort gave European champion Denmark a 4-0 victory Wednesday over Lithuania in a European Group 3 qualifying match for the 1994 World Cup.

The victory moved Denmark into second place in the group standings with 14 points, just one behind Ireland. Spain is third with

12 points and Northern Ireland is fourth with 10. All four teams have played nine matches.

The top two teams in the seven-team group will advance to the World Cup finals in the United States next summer.

The group's finalists will probably be decided in mid-October, when Ireland plays Spain and Denmark meets Northern Ireland on Oct. 13, then Ireland plays North-

ern Ireland and Spain plays Denmark on Oct. 17.

Lithuania and the other two teams in the group, Latvia and Albania, are out of the running.

Olsen opened the scoring in the 12th minute, and Pingel made it 2-0 in the 41st. Then Brian Laudrup and Vilfort put the match well out of reach. Laudrup scoring in the 62nd minute and Vilfort in the 71st. Laudrup's older brother, FC Barcelona star Michael Laudrup,

who rejoined the national squad after a three-year voluntary absence, failed to score. But he gave Denmark several good chances to increase the score.

• Dutch striker Marco van Basten should be fit to play for AC Milan again before the end of the year, his surgeon said Wednesday.

"We noticed a definite improvement today," Professor Marc Martens said after examining the player

at his clinic in Antwerp. "He has recovered quite well from the surgery."

Van Basten, who missed most of last season, has had two operations on his troublesome right ankle, the most recent in early June.

Asked if van Basten would be able to play this season, Martens said: "Sure, he will be ready before the New Year."

(AP, Reuters, AFP)

DENNIS THE MENACE



"WHEN I AM I GLAD I'M HOME! I GOT TIRED OF BEING EVERYWHERE ELSE."

PEANUTS



"YOU'RE LATE... WE'VE ALREADY STARTED EATING."



"THERE WAS HEAVY FIGHTING OVER ST. MICHEL..."



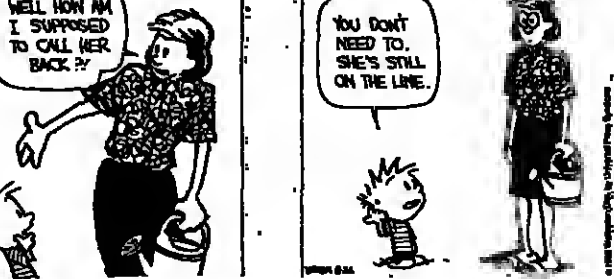
"LINUS IS HAVING DINNER WITH US TONIGHT."

CALVIN AND HOBBES



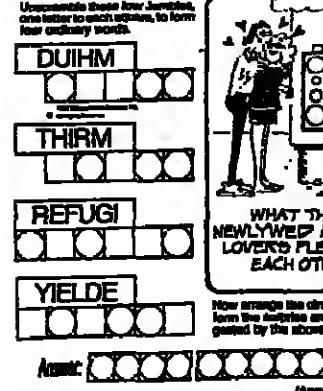
"OH, NOW? I JUST REMEMBERED... SOME LADY CALLED YOU ABOUT AN HOUR AGO."

WIZARD of ID



"SAYS HERE... UP TO THREE DRINKS A DAY ARE GOOD FOR YOUR HEART."

JUMBLE



WHAT THE NEWLY WEDD MUSIC LOVERS PLEADED EACH OTHER.

BLONDIE



"THAT'S HORRIBLE! THE SUBMARINE COMMANDER."



"DO WE HAVE A GREAT CAREER?"



"NO, I'M AFRAID NOT."

WIZARD of ID



"BUT WHAT CAN YOU EXPECT?"

WIZARD of ID



"WHEN YOUR SUBMARINE IS THE 'U.S. STICK' IN THE MUD?"

BEETLE BAILEY



"YOU CAN FIND OUT WHAT'S GOOD BY ASKING THE SERVERS WHAT THEY ATE."



"WHAT DID YOU HAVE FOR DINNER, BEETLE?"



"A DELICIOUS PLATE OF KETCHUP."

REF MORGAN



"I SHOULD HAVE THE ITEMS AND BE IN NEW YORK IN TWO DAYS."

REF MORGAN



"YOU MUST NOT BE LATE, GRACIELLA—OUR ASSOCIATES ARE VERY EXCITABLE!"

DOONESBURY



"THERE! I'VE ENTERED AGAINST 200 ADDRESSERS IN MY FAVOR. ASSISTANTS! AVAILABLE AT THE TOUCH OF A FINGER!"



"BUT IT TOOK YOU TEN TIMES LONGER THAN IN A POKER ADDRESS BOOK. I THOUGHT THE SINGLE-KNOB WARS TO BE A POKER GAME."

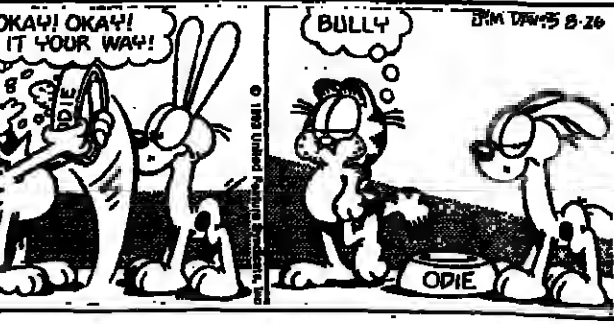


"IT BUILT EVEN— THEN YOU SHOULD HAVE ENTERED IN MY FAVOR. ASSISTANTS! AVAILABLE AT THE TOUCH OF A FINGER!"

GARFIELD



"NO! NO! I WON'T EAT YOUR FOOD! YOU CAN'T MAKE ME!"



"OKAY! OKAY! HAVE IT YOUR WAY!"

ART BUCHWALD

Vineyard Media Frenzy

MARTHA'S VINEYARD, Massachusetts — Although I am one of the frenzied media types, I did not hang out with them until the president came to Martha's Vineyard for his vacation. It was fun to see my pals in action again. Despite the fact that I make my residence in Washington 10 months a year and spend only two months on the Vineyard, they treated me like an island native — some weird primitive beast who lives in the Amazon rain forest. One reporter I know quite well asked me, "What do you people eat?" I told him, "Buchwald 'Tree bark soup and snails.' He didn't know if I meant it or not. He wrote it down. "How do your women carry their water?" "On their heads. They go to the well twice a day," I assured him. "Tell me about the social life." "We are very simple people. We catch a bear, roast it over the fire and sprinkle salt on it. Salt is something none of us on the Vineyard can do without." "What about the president? Aren't you swells doing hand-springs to get near the president?" "We are excited that the Great White Father from Washington is on our island," I told him. "But it is still more fun to wade in the marshes looking for duck eggs." The worst part of being marooned on Martha's Vineyard with the first family is that you are perceived by the press people you have always worked with as a turncoat who has gone over to the other side. You try to explain that you were here 25 years before the president, but your protests don't fly. "This island was uninhabited before I came, I was the first one to land here," I told them. "If I had thought it would become a Summer White House I would have discovered Nantucket." They wrote it down. "How are the people on Martha's Vineyard adjusting to it all?" "It has been stressful, particularly trying to find a parking place in town. But you can't blame the president for that. He is unable to build an 18-story garage until he finances the Soviet grain exports."

I was on a roll, and several of the White House correspondents surrounded me. "Is the ocean water going to be too cold for Chelsea?" "I can't speak for her, but most Vineyard teenagers won't go into the water unless it is sub-freezing." Someone stuck a microphone on my face. "Why don't we ever see Carly Simon here?" "Is she supposed to be here?" "She is, unless she's trying to avoid us — and if she is doing that for some reason, we'll find out what it is. Do you think Martha's Vineyard will go for Clinton in 1996?" "I'd bet my life on it — except for the people who were run into ditches by the president's motorcade during the last 10 days." Suddenly a question came from the back. "Do you people on the island heat your clam chowder or drink it raw?" "Raw — we're not animals." She wrote it down.

'Annie' Sequel Breaks Record

United Press International NEW YORK — "Annie Warbucks," the musical sequel to "Annie," is breaking off-Broadway box-office records. The show took in \$102,000 last week at the Variety Arts Theatre — a record for any off-Broadway show — and is virtually sold out for September. Top tickets go for \$47.50, considerably less than the average of \$60 to \$65 a ticket for Broadway musicals. The original show ran on Broadway from 1977 to 1983 and earned \$30 million. The first attempt at a sequel, "Annie 2: Miss Hannigan's Revenge," cost \$7 million and closed in Washington to negative reviews in 1990. That hard-look sequel was abandoned by its producers and with much rewriting evolved into the new \$5.5 million show produced by Karen Water Goodwin.

Montreal Museum Is a Laughing Matter

By William Grimes

MONTRÉAL — In the beginning was the joke. And verily, it was a knee-slapper. As told at the inaugural exhibition of Montreal's newest cultural institution, the International Museum of Humor, low-forehead man emits his first laugh when a bored Neanderthal drops a stone on the head of a sleeping buddy. The rest of the clan watches, curious, then doubles over with laughter when the butt of the joke bows with pain and rubs his bleeding head. You had to be there. Since early April, when the humor museum opened its doors and stationed Keystone Kops in the lobby, the curious and humor-inclined have followed a historical trail that leads from cave man wit onward. The free-flow journey is organized around evocative settings that include a medieval court, in which visitors are taunted in French and English by a jester, and a wacked-out 1950s kitchen, a kind of psychic projection to which old television series can be watched in a washing machine, a refrigerator and a toaster. In a 16th-century Venetian piazza, visitors watch a film clip of Columbo, two Italian clowns in trash cans, who carry on the tradition of the commedia dell'arte.



The museum, part of the city's attempt to corner the world market for humor, grew out of Montreal's annual Just for Laughs Festival, founded by Gilbert Rozon, a rock 'n' roll promoter. Rozon decided that humor needed more than a two-week party every year. Documents and artifacts needed a home. Scholars needed a library and information base. In 1989, Rozon floated the idea and assembled a board. The national, provincial and city governments put up about two-thirds of the 21 million Canadian dollars (about \$16 million) needed to create the museum. The rest came from a mortgage on the museum building (a former brewery on Boulevard St-Laurent) and from private donations. Until the building began to take shape at the end of last year, the museum seemed a baffling concept to people in the entertainment industry and to the holders of rights to material that the museum covets for its exhibitions. Donors have been slow to contribute artifacts, and the museum cannot afford to pay the going rate for rights to such classic comedic material as "I Love Lucy" episodes and many of Charlie Chaplin's films, which accounts for gaps in the narrative line of its opening exhibition. On the other hand, the concept of the humor museum fits right in with the current

vogue for single-subject museums and the emphasis on creating an experience rather than presenting artifacts with explanatory wall text. Recent models were the Museum of Peace in Caen, France, devoted to the Normandy invasion, and the Museum of the Moving Image in London, which takes visitors on a multimedia tour of film history. "We try to mesh together documentation and setting so visitors will come out with their own perceptions," said Iacobacci. "We are trying to bring a message without directing what the message is." The message is not all that encouraging about the possibilities for intellectual growth in Homo sapiens. By 1995, many millennia after the rock-on-the-head gag, the Lumière brothers of France created the first narrative film, a 30-second joke called "The Gardener Gets Watered," which is screened continuously against one wall of a room filled with dozens of yellow rubber raincoats suspended from the ceiling. The plot? A practical joker steps on a garden hose, wais for the gardener to start into the nozzle, and then lifts his foot. You had to be there. "Laughing Matters: Humor Through the Ages," scheduled to run through the end of the year, will give way to other

exhibits that tell other stories about the experience of humor. Meanwhile, the museum is using its 250-seat cabaret theater to present new comics and to hold seminars. Iacobacci said that he wanted to present unfamiliar forms of humor. He is eager to create an exhibition devoted to Mexico's Day of the Dead, and the Linares family of Mexico City, impresarios of the event. The correlation between death and humor is not one that Canadians or Americans would make, Iacobacci said, pointing out: "In Mexico, they play with death, even the children, who get sugar candies of skeletons with scythes. It's not very morbid, it's actually quite pleasant; a kind of carnival." The humor of Islam, or lack of it, also fascinates Iacobacci. He sees historical similarities between Spain under the Inquisition and some modern Middle Eastern countries in which the concept of making a joke about serious matters is more or less unknown. Perhaps an exchange program can be developed, making use of the museum's School of Humor, where trained professionals can instruct novitiates in the fine points of the banana peel, the joy buzzer and the squirting daisy.

PEOPLE

Is It Jurassic? Maybe, But Strictly Vegetarian

Steven Spielberg, the director of the thriller "Jurassic Park," will soon bring dinosaurs back to the screen in an animated film. But the new film is a gentle child's story. Spielberg, along with Frank Marshall and Kathleen Kennedy, is the executive producer of "We're Back! A Dinosaur's Story," based on the children's book by Houston Talbot. Next? "Just Jaws, No Teeth?"

Baring all: The Duchess of York is finally talking about her relationship with John Bryan, her Texan "financial adviser" who was photographed last year nibbling the topless royal's toes in the south of France. In an interview with Maria Sharova for NBC, she described Bryan as "a brother, really." She said she asked her husband, Prince Andrew, whether he minded Bryan's accompanying her on a vacation trip with her children, Beatrice and Eugenie, and Andrew, from whom she has split, replied, "No. Great! Have a great time. John is very good with the girls." The former Sarah Ferguson said she went into therapy after the vacation photographs were published.

Bob Hope's family wants to say thanks for the memories and is trying to find a site for a museum of the 90-year-old entertainer's career. He stars his mementos, including 54 honorary doctorates, in a room at his home and in a warehouse.

Marion Brando has sued a film company and producer, alleging that a \$1 million check he was paid for agreeing to appear in a film, "Treasure Island: The Musical," bounced at the bank.

The Marquess of Blandford was fined £1,000 (\$1,500) in a London court Wednesday for not paying tax on his income. The Duke of Marlborough has previous convictions for drunken driving and drug abuse. The marquess, whose wife has left him and whose father has all but disowned him, arrived at court on foot.

INTERNATIONAL CLASSIFIED Appears on Pages 4 & 13

WEATHER

Forecast for Friday through Sunday, as provided by Accu-Weather. Includes maps of Europe, Asia, Africa, North America, and Latin America with weather symbols and temperature/precipitation data for various cities.

CROSSWORD

ACROSS and DOWN crossword puzzle clues. Includes a crossword grid and a solution to the puzzle of Aug. 25.

If you're going to travel all over the map, here's how to call from almost any point on it.



Table of AT&T Access Numbers for various countries including Andorra, Armenia, Australia, Bahrain, Belgium, Bulgaria, Canada, Czech Republic, Denmark, Egypt, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Kuwait, Lebanon, Liberia, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Monaco, Netherlands, Nigeria, Norway, Poland, Portugal, Romania, Russia, Saudi Arabia, Slovakia, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Arab Emirates, United Kingdom, USA, USSR, and Yugoslavia.

صكنا من الأهل

